KARNATAKA ELECTRICITY REGULATORY COMMISSION

TARIFF ORDER 2022

OF

GESCOM

ANNUAL PERFORMANCE REVIEW FOR FY21

&

APPROVAL OF ANNUAL REVENUE REQUIREMENT

FOR FY23 to FY25

&

REVISION OF RETAIL SUPPLY TARIFF FOR FY23

4th April, 2022

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ABBREVIATIONS	
ABT	Availability Based Tariff
AEH	All Electric Home
A & G	Administrative & General Expenses
ARR	Annual Revenue Requirement
ATE	Appellate Tribunal for Electricity
BST	Bulk Supply Tariff
CAPEX	Capital Expenditure
CCS	Consumer Care Society
CERC	Central Electricity Regulatory Commission
CEA	Central Electricity Authority
CPI	Consumer Price Index
CWIP	Capital Work in Progress
DA	Dearness Allowance
DCB	Demand, Collection & Balance
DPR	Detailed Project Report
EA	Electricity Act
EC	Energy Charges
ERC	Expected Revenue From Charges
ESAAR	Electricity Supply Annual Accounting Rules
ESCOMs	Electricity Supply Companies
FA	Financial Adviser
FKCCI	Federation of Karnataka Chamber of Commerce & Industry
FR	Feasibility Report
FoR	Forum of Regulators
FY	Financial Year
GESCOM	Gulbarga Electricity Supply Company
GFA	Gross Fixed Assets
GoI	Government Of India
GoK	Government Of Karnataka
GRIDCO	Grid Corporation
HP	Horse Power
HRIS	Human Resource Information System
ICAI	Institute of Chartered Accountants of India
IFC	Interest and Finance Charges
IW	Industrial Worker
IP SETS	Irrigation Pump Sets
KASSIA	Karnataka Small Scale Industries Association
KEB	Karnataka Electricity Board
KER Act	Karnataka Electricity Reform Act
KERC	Karnataka Electricity Regulatory Commission
KM/Km	Kilometre
KPCL	Karnataka Power Corporation Limited
KPTCL	Karnataka Power Transmission Corporation Limited
KV	Kilo Volts

kVA	Kilo Volt Ampere
kW	Kilo Watt
kWH	Kilo Watt Hour
LDC	Load Despatch Centre
MAT	Minimum Alternate Tax
MD	Managing Director
MFA	Miscellaneous First Appeal
MIS	Management Information System
MoP	Ministry of Power
MU	Million Units
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NFA	Net Fixed Assets
NLC	Neyveli Lignite Corporation
NCP	Non Coincident Peak
NTP	National Tariff Policy
O&M	Operation & Maintenance
P & L	Profit & Loss Account
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
PRDC	Power Research & Development Consultants
R & M	Repairs and Maintenance
ROE	Return on Equity
ROR	Rate of Return
ROW	Right of Way
RPO	Renewable Purchase Obligation
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition System
SERCs	State Electricity Regulatory Commissions
SLDC	State Load Despatch Centre
SRLDC	Southern Regional Load Dispatch Centre
STU	State Transmission Utility
TAC	Technical Advisory Committee
TCC	Total Contracted Capacity
T&D	Transmission & Distribution
TCs	Transformer Centres
TPC	Tanirbavi Power Company
TR	Transmission Rate
VVNL	Visvesvaraya Vidyuth Nigama Limited
WPI	Wholesale Price Index
WC	Working Capital

KARNATAKA ELECTRICITY REGULATORY COMMISSION

No.16C-1. Miller Tank Bed Area, Vasanthnagar
BENGALURU - 560 052

Dated 4th April, 2022

In the matter of:

Application of the Gulbarga Electricity Supply Company Limited, in respect of the Annual Performance Review for FY21, approval of Annual Revenue Requirement for FY23 to FY25 and Revision of Retail Supply Tariff for FY23, under Multi Year Tariff framework.

Present:	**Shri H.M. Manjunatha**	**Officiating Chairman**
	Shri M.D. Ravi	**Member**

O R D E R

The Gulbarga Electricity Supply Company Ltd. (hereinafter referred to as GESCOM) is a Distribution Licensee under the provisions of the Electricity Act, 2003. GESCOM has filed its tariff application on 30th November, 2021 with a prayer to:

- To approve the Annual Performance Review for FY21.
- ARR and ERC proposed as per the MYT principles, as detailed in Tariff application.
- Approve Gap of Rs.1816.94 Crores for FY-23 including Regulatory Asset and deficit of FY21, carrying cost at the rate of 12% on deficit and Regulatory Assets to be recovered in FY23 as per KERC Order dated 04.11.2020. The overall tariff hike of 236 paise (19% of Fixed Charges

Component and 81% of Energy Charge Component) (i.e. around 45 paise towards Fixed Charges and 191 paise towards Energy Charges) is proposed for FY23, across all the category of consumer.

- To approve New Proposal proposed, as detailed in the tariff application.

In exercise of the powers conferred under Sections 62 and 64 and other provisions of the Electricity Act, 2003, the KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006, read with the KERC (Tariff) Regulations, 2000 and other enabling Regulations, the Commission has considered the said application and also the views and objections submitted by the consumers and other stakeholders, while passing this Order. The Commission's decisions on various aspects are brought out in the subsequent Chapters of this Order.

CHAPTER – 1

INTRODUCTION

1.0 Gulbarga Electricity Supply Company Ltd.:

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

1. Bellary
2. Bidar
3. Kalaburagi
4. Koppala
5. Raichur
6. Yadgiri
7. Vijayanagar

The GESCOM is a company registered under the Companies Act, 1956, incorporated on 30th April, 2002 and commenced its operations on 1st June, 2002. The Registered Office of the Company is located at Station Main Road, Kalaburgi-585102

At present GESCOM's area of operations is structured as follows:

O&M Zones	O&M Circles	O&M Divisions
Kalaburgi zone	Kalaburgi Circle	Kalaburgi Urban Division
		Kalaburgi Rural-I Division
		Kalaburgi Rural-II Division
		Sedam Division
		Yadgir
	Bidar Circle	Bidar Division
		Humnabad Division

Ballari Zone	Bellary Circle	Ballari Urban Division
		Ballari Rural Division
		Hospet Urban Division
		Hospet Rural Division
	Raichur Circle	Raichur Urban Division
		Raichur Rural Division
		Sindhanoor Division
	Koppal Circle	Gangavathi Division
		Koppal Division

The O & M divisions of GESCOM are further divided into 54 sub-divisions. Each sub-division is having two to three O & M section offices.

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

1.1 GESCOM at a glance:

The profile of GESCOM is as indicated below:

Sl. No.	Particulars (As on 30-09-2021)		Statistics*
1.	Area	Sq. km.	43861
2.	Districts	Nos.	7
3.	Taluks	Nos.	49
4.	Population	lakhs	112
5.	Consumers as on Sept.2021	lakhs	33.92
6.	Energy Consumption for FY22 (upto Sept.2021)	MU	3790.88
7.	Zone	Nos.	2
8.	DTCs	Nos.	115759
9.	Assets FY22(upto Sept.2021)	Rs. in Crores	4667.39
10.	HT lines (including 33 KV line)	R. kms	74,109.08
11.	LT lines	R. kms	92,042.12
12.	**Total employees strength:**		
A	Sanctioned	Nos.	10233
B	Working	Nos.	7204
13.	Revenue Demand (FY22 upto Sept.2021)	Rs. in Crores	2758.95
14.	Revenue Collection (FY22 upto Sept.2021)	Rs. in Crores	2610.25

***Source: Tariff filing**

1.2 Number of Consumers, Sales in MU and Revenue details of GESCOM as on 30.09.2021:

No. of Installations	No. of Installations	Sales in MU	Revenue Rs.Crs.
As on 30.09.2021			
Domestic Installation	2520224	859.86	589.43
Commercial	305410	225.43	231.12
Industrial	72100	617.44	567.34
Agriculture IP Sets of up to 10 HP	415073	1723.60	1060.68
Others	87205	364.55	310.38
Total	3400012	3790.88	2758.95

Source: Tariff filing

The GESCOM has filed its application for approval of Annual Performance Review for FY21 and consequent approval of revised ARR thereon, approval of Annual Revenue Requirement (ARR) for FY23 to FY25 and revision of Retail Supply Tariff for FY23.

The GESCOM's application, objections / views of stakeholders thereon and the Commission's decisions on the approval of Annual Performance Review for FY21, approval of the ARR for FY23 to FY25 and revision of Retail Supply Tariff for FY23, are discussed in detail, in the subsequent Chapters of this Order.

CHAPTER – 2

SUMMARY OF FILING & TARIFF DETERMINATION PROCESS

2.0 Background for Current Filing:

The Commission in its Tariff Order dated 9th June, 2021 had approved the revised ARR for FY22 and Retail Supply Tariff of GESCOM for FY22 under the MYT principles. The GESCOM in its present application filed on 30th November, 2021, has sought Annual Performance Review (APR) for FY21 based on the audited accounts, Approval of ARR for FY23 to FY25 and Retail Supply Tariff for FY23.

2.1 Preliminary Observations of the Commission:

After a preliminary scrutiny of applications, the Commission had communicated its observations to the GESCOM on 15th December, 2021, which were mainly on the following points:

- Sales Forecast
- Capital Expenditure
- Projected IP set consumption for FY19
- Power Purchase
- RPO Compliance
- Wheeling and Banking
- Cross subsidy surcharge
- Additional Surcharge
- Issues pertaining to items of revenue and expenditure
- Compliance to Directives

In response, the GESCOM had furnished its replies on 30th December, 2021. The replies furnished by the GESCOM are considered in the respective chapters of this Order.

2.2 Acceptance of Applications and Publication of Notices:

The Commission vide its letter dated 31st December, 2021 informed the GESCOM that, its application filed on 30th November, 2021, for APR of FY21, approval of Revised ARR for FY23 to FY25 and revision of retail supply tariff for FY23, in the GESCOM area, has been treated as a petition, in terms of the Tariff Regulations, subject to further verification and validation and directed it to publish a summary of the application in the leading newspapers in the distribution area of GESCOM.

2.3 Public Hearing Process:

As per the Karnataka Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations 2006, read with the KERC (Tariff) Regulations, 2000, and KERC (General and Conduct of Proceedings) Regulations, 2000, the Commission, in its letter dated 31st December, 2021 treated the tariff application of GESCOM as a petition and directed GESCOM to publish the summary of ARR and Tariff proposals in the newspapers calling for objections, if any, from the interested persons.

Accordingly, the GESCOM has published the same in the following newspapers:

Name of the News Paper	Language	Date of Publication
The New Indian Express	English	05.01.2022 & 06.01.2022
The Hindu		
Vijayakarnataka	Kannada	
Vijayavani		
Udayavani		
Prajavani		
Kannada Prabha		
Samyuktha Karnataka		

The GESCOM's application on APR of FY21, approval of ARR for FY23 to FY25 and revision of Retail Supply Tariff for FY23 was also hosted on the web-sites of the GESCOM and the Commission, for the ready reference and information of the general public.

In response to the application of the GESCOM, the Commission has received **two** number of written objections with affidavit and **one** without affidavit, within the time stipulated for filing objections. The GESCOM has furnished its replies to all the objections. The Commission has held a Public Hearing on **28.02.2022**, at Kalaburgi. The details of the written / oral submissions made by various stakeholders and the responses from the GESCOM thereon have been discussed in Chapter – 3 and Appendix to this Order.

2.4 Consultation with the State Advisory Committee of the Commission:

The Advisory Committee discussed the proposals of the KPTCL and all the ESCOMs in the State Advisory Committee meeting held on 14th March 2022. During the meeting the KPTCL and ESCOMs made brief presentations on the important issues in the tariff application filed before the Commission. The Committee discussed various issues involved in the tariff application.

The Members of the Committee made valuable suggestions on the proposals. The Commission has taken note of these suggestions while passing the Order.

CHAPTER – 3

PUBLIC CONSULTATION
SUGGESTIONS / OBJECTIONS & REPLIES

3.0 As per the provisions of Section 64 of the Electricity Act, 2003, the Commission has undertaken the process of public consultation, inviting suggestions/ views/objections from the interested stakeholders and the general public, on the application filed by GESCOM for Annual Performance Review for FY21, approval of ARR for the next control period FY23-25 and determination of Retail Supply Tariff for FY23. In the written submissions filed as well as during the public hearing, the stake-holders and the public have raised several objections/ made suggestions, on the GESCOM's Tariff Application dated 30.11.2021. The names of the persons who filed written objections and made oral submissions are given below:

3.1 Names of persons who have filed written objections

Sl. No	Application No.	Name & Address of objectors
1	GA-01	Sri. P. Shashidhar, Administrator, KASSIA, Bengaluru
2	GA-02	Sri. Deepak G Gala, Maktamapur, Kalaburagi.
3	GB-01	Sri. V. Lakshmi Reddy, President, Raichur Cotton Millers Association (Regd.), Gunj, Raichur.
4	GB-02	Sri. Jogendra Behera, VP (Market Design & Economics) Indian Energy Exchange, Noida, UP.
5		Dr.L.Hanumanthaiah, Member of Parliament, Rajya Sabha

3.2 The objections/suggestions mainly pertain to: No

a. Tariff;

b. Quality of Power Supply and Service;

c. Compliance of Commission's directives; and

d. Certain specific requests.

3.3 The summary of the objections, the GESCOM's reply and the Commission's view are annexed as Appendix-1 to this Order.

3.4 Names of the persons, who made oral submissions during the Public Hearing, held on 28.02.2022.

Sl.No	Name and Address of Objectors
1	Sri. Deepak G. Gala KERC Advisory Committee Member.
2	Sri. Sidramayya Hiremath, RTI Activist.
3	Sri. Bhimashankar. B Patil, KASSIA, Gulbarga.
4	Sri. S.M. Sharma. Consumer Association.
5	Sri. Premkumar.R, Ex-Zp Member
6	Sri. H. N. Kanihal, IEECI, Kalaburgi.
7	Sri. Umapathi Kani. B, Sedam.
8	Sri. B. M. Ravoor, Kalaburgi.
9	Sri. Asad M Sarmart, Kalaburgi.
10	Sri. Chenna Basayya, Nandikol, Kalaburgi.
11	Sri. Lakshmi Reddy, president Raichur Cotton Mills.
12	Sri. Ravindra.
13	Sri. Syed.

The summary of the additional points raised during the Public Hearing is as follows:

1. All the consumer who have participated in the public hearing opposed the tariff hike as proposed by GESCOM, in view of the prevailing poor financial conditions of the consumer due to Covid 19.
2. GESCOM has to resolve the complaints on meter not recording (MNR), replacement of faulty distribution transformers, sagging of distribution lines, rectifying the cable damages, voltage problems in the village at earliest.
3. GESCOM has to review the tariff filing and has to resubmit since, the Annual Performance Review for FY21 is not matching with the data submitted.
4. GESCOM has to forecast the sales for upcoming years since GESCOM has not met its sales targets fixed by the KERC.
5. GESCOM has to reduce the interruptions in power supply, in order to increase the sale of energy.
6. GESCOM has to plan for the sale of surplus/ excess energy.

7. GESCOM should not utilise the CAPEX for electrifying the Ganga Kalyan Scheme.
8. GESCOM has completed only 43% of energy auditing. GESCOM has to take action to complete the audit of the remaining DTC meters.
9. GESCOM and Government have to take suitable action in recovery of huge amount of arrears from the Government departments and local bodies.
10. GESCOM needs to claim the CDT as per KERC Regulation, if the Government fails to release the subsidy
11. Separate tariff category for street lights with/without timer switch is required.
12. GESCOM has to conduct Consumer interaction meeting regularly.
13. Tariff benefits to be given for the sick and other industries.
14. More Engineers/Power men may be deputed for the new industrial layouts.
15. 24X7 services are required.
16. Solarisation IP sets BJ/KJ and street light installations are to be undertaken.
17. Transformer failure rates needs to be decreased as the technology is improved.
18. GESCOM is required to place the name of the officers/officials and telephone numbers in each office in the notice board and there shall not be any time restriction for senior citizen for visiting the GESCOM office.
19. Proper feedback to the consumer objections to be given.
20. Power cuts during examination times may be avoided.
21. Collection centres to be increased in the Raichur areas.
22. GESCOM is not following KERC Regulations properly.
23. Collection of GST problems to be resolved.
24. Interest on the outstanding IP set subsidy to be given by Govt. to be charged.
25. Complaints submitted by the Consumer to be addressed properly on time and inform the action taken, to the consumer.

26. Availability of CGRF mechanism to sort out the consumer complaints and its meeting schedule, to be put up on the Notice Board.
27. Energy loss to be reduced to avoid distribution losses.
28. Burning of street lights during day time to be avoided.
29. The unrecovered capex incurred by GESCOM on serving the installation under Gangakalyana is a burden to the other consumers. Action to be taken to recover the same from the Government of Karnataka besides recovering the outstanding amount also.
30. Reasons for the damage of poles in a larger scale to be properly analysed and avoided its future.
31. Capital budget proposed on various category of works to be made in a realistic manner.
32. DTC's are to be properly maintained by undertaking regular maintenance to avoid frequent failure.
33. Availability of material to the work spot to be properly arranged.
34. Availability of 3 phase meters and working website, server problems to be sorted out by GESCOM.
35. Frequent interruption in power supply to be avoided, which has resulted in reduction in the per capita consumption in GESCOM area, than the National average per capital consumption.

GESCOM Response:

The MD GESCOM stated that the replies to most of the issues raised in the public hearing have been furnished in the written replies. That the other issues not covered earlier would be looked into and remedial action taken.

Commission's Views:

The Commission directs the GESCOM to look into the unresolved non-tariff issues and attend to them on priority as per law, under intimation to the respective objectors.

CHAPTER – 4

ANNUAL PERFORMANCE REVIEW FOR FY21

4.0 GESCOM's Application for APR for FY21:

The GESCOM has filed its application on 30th November, 2021, for Annual Performance Review (APR) of FY21 based on the audited accounts and for revision of Annual Revenue Requirement (ARR) for FY23 to FY25 and revision of retail supply tariff for FY23, under the provisions of the MYT Regulations.

The Commission, in its letter dated 15th December, 2021 had communicated its preliminary observations on the application of the GESCOM. The GESCOM, has furnished replies to the preliminary observations of the Commission on 30th December, 2021.

The Commission, in its Tariff Order dated 4th November, 2020 had approved the GESCOM's revised Annual Revenue Requirement (ARR) of Rs.5713.28 Crores for FY21 and based on the said ARR, allowed revised retail supply tariff for FY21.

The Annual Performance Review (APR) of GESCOM for FY21, based on the audited accounts, is discussed in this chapter.

4.1 GESCOM's Submission:

The GESCOM has submitted its proposals for revision of ARR under APR for FY21 based on the Audited Accounts, as follows:

TABLE – 4.1

ARR for FY21 – GESCOM's Submission

Amount in Rs. Crores

Sl. No	Particulars	FY21	
		As approved in Tariff Order dated 04.11.2020	As filed
1	Energy at Gen Bus in MU	9170.60	8506.11
2	Energy at Interface in MU	8891.91	7931.86
3	Distribution Losses in %	14% *	11.72%
	Sales in MU		
4	Sales to other than IP & BJ/KJ	4243.15	3710.42

Sl. No	Particulars	FY21	
		As approved in Tariff Order dated 04.11.2020	As filed
5	Sales to BJ/KJ	237.95	250.36
6	Sales to IP	3165.94	3041.47
7	**Total Sales**	**7647.04**	**7002.25**
	Revenue from tariff and Misc. Charges:		
8	Revenue from tariff and Misc. Charges	3547.32	3118.88
9	Tariff Subsidy for BJ/KJ	177.75	190.17
10	Tariff Subsidy for IP	1988.21	1869.75
11	**Total Revenue**	**5713.28**	**5178.80**
	Expenditure:		
12	Power Purchase Cost	4125.84	3911.04
13	Transmission charges of KPTCL	521.18	478.16
14	SLDC Charges	3.67	3.67
	Total Power Purchase Cost	**4650.69**	**4392.87**
15	Employee Cost	851.19	678.7
16	Repairs & Maintenance		52.25
17	Admin & General Expenses		127.38
	Total O&M Expenses	**851.19**	**858.33**
18	Depreciation	172.10	193.66
	Interest & Finance charges;		
19	Interest on Loans	119.74	209.96
20	Interest on Working capital	113.19	109.08
21	Interest on belated payment on PP Cost	0.00	94.09
22	Interest on consumer deposits	32.36	25.54
23	Other Interest & Finance charges	0.00	0.00
24	Less: interest capitalized	-5.75	-4.69
	Total Interest & Finance charges	**259.54**	**433.98**
25	Other Debits	0.00	78.32
26	Net Prior Period Debit/Credit	0.00	0.00
27	Return on Equity	87.40	0.00
28	Provision for taxation	0.00	-9.39
29	Funds towards Consumer Relations/Consumer Education	0.50	0.00
30	Other Income	-93.09	-103.12
31	Net Movement in Regulatory Deferral Account	0.00	504.05
32	**ARR**	**5928.32**	**6348.70**
33	Deficit for FY19 carried forward	215.04	0.00
34	**Net ARR**	**5713.28**	**6348.70**
35	**Surplus/Deficit**	**0.00**	**-1169.90**
36	**Regulatory Asset to be allowed to be recovered during FY23 & FY24****	**178.43**	
37	**Revenue Gap**	**0.00**	**-1169.90**

* Distribution loss is revised to 11% in Tariff Order 2021

** Since the Tariff Order was issued on 04.11.2020 out of the total gap of Rs.305.88 Crores, Regulatory Asset of Rs.178.43 Crores was allowed to be recovered during FY22 & FY23.

Considering the revenue of Rs.5178.80 Crores against the net ARR of Rs.6348.70 Crores, GESCOM has reported a deficit in revenue of Rs.1169.90 Crores for FY21.

4.2 GESCOM's Financial Performance as per the Audited Accounts for FY21:

An overview of the financial performance of the GESCOM for FY21 as per its Audited Accounts is given below:

TABLE – 4.2

Financial Performance of GESCOM for FY21

Amount in Rs. Crores

Sl. No.	Particulars	FY21
1	Revenue from sale of power	5178.81
2	Other Income	207.80
3	**Total Revenue**	**5386.61**
4	**Expenditure**	
5	Power Purchase Cost	4392.99
6	Employee cost	678.70
7	Interest and Finance Cost	433.98
8	Depreciation	244.93
9	Other Expenses	258.02
10	Regulatory Income	0
12	Total Expenditure	**6008.62**
13	Profit /Loss before Exceptional Items	**-622.01**
15	Net Movement of Regulatory deferred account Balance related to P & L & Other related deferred Tax movement	**-504.06**
16	Deferred Tax Credits	**9.39**
17	**Net loss for the year**	**-1116.68**

As per the Audited Accounts, the GESCOM has incurred a loss of Rs.1116.68 Crores for FY21, after considering the Net Movement of Regulatory deferred account balance related to Profit and Loss & Other related deferred Tax movement.

The accumulated Profits/ Loss as per the audited accounts are as under:

TABLE – 4.3

GESCOM's Retained Profit / Reserves & Surplus

Particulars	Amount in Rs. Crores
Accumulated Balance of as on 31st March, 2020	-1995.03
Losses incurred in FY20	-1116.69
Other Comprehensive Income for FY21	-0.94
Accumulated Retained earnings as at the end of FY21	**-3112.65**

As seen from the above table, the GESCOM has accumulated losses of Rs.3112.65 Crores, as at the end of FY21.

As per the provisions of the MYT Regulations, the Commission has taken up the Annual Performance Review for FY21, duly considering the actual revenue and expenditure booked as per the Audited Accounts vis-à-vis the revenue and expenditure approved by the Commission in its Tariff Order dated 4th November, 2020. The item-wise review of expenditure and the revenue and the decisions of the Commission thereon are discussed in the following paragraphs:

4.2.1 Sales for FY21:

A. Sales Other than IP sets:

1. **Annual Performance Review for FY21**

a. The Commission, in its Tariff Order 2020 dated 04.11.2020, had approved total sales to various consumer categories at 7647.04 MU, as against the GESCOM's proposal of 7766.75 MU. The actual sales of GESCOM as per the current APR filing is 7002.24 MU indicating decrease in sales to the extent of 644.80 MU with respect to the approved sales.

b. The category wise sales approved by the Commission and the actuals for FY21 are indicated in the table below:

TABLE – 4.4

Category Wise Sales approved & Actuals for FY21

Energy Sales in MU

Category	Approved	Actuals	Difference (Actuals - Approved)
(1)	(2)	(3)	(4)=(3)-(2)
BJ/KJ consuming more than 40 units/month	6.96	6.26	-0.70
LT-2a Domestic Lighting	1260.26	1305.87	45.61
LT-2b Pvt. Edcl. Insttns.	16.65	9.56	-7.09
LT-3 LT Commercial	376.74	329.91	-46.83
LT-4b IP Sets above 10 HP	10.94	3.29	-7.65
LT-4c Pvt. Nurseries, Coffee & Tea Plantations	1.25	1.43	0.18
LT-5 LT Industries	180.23	176.66	-3.57
LT-6 WS- Water Supply	446.99	399.04	-47.95
LT-6 SL- Street Lights	284.90	206.48	-78.42
LT-7 LT Temporary Supply	27.12	20.87	-6.25

HT-1 HT Water Supply	130.51	122.38	-8.13
HT-2a HT Industries	1227.88	911.29	-316.59
HT-2b HT Commercial	81.15	57.75	-23.40
HT-2c Aided Edcl. Insttns/ Pvt. Hospital	38.74	23.85	-14.89
HT-3a & b HT Irrigations	124.75	105.05	-19.70
HT-4 Residential Apartments	15.29	15.21	-0.08
HT-5 HT Temporary Supply	12.78	15.51	2.73
Sub total	4243.15	3710.41	-532.74
BJ/KJ consuming upto 40 units/month	237.95	250.36	12.41
IP Sets	3165.94	3041.47	-124.47
Sub total	3403.89	3291.83	-112.06
Grand total	7647.04	7002.24	-644.80

The Commission has noted that excluding LT1 (BJ/KJ consuming upto 40 units/month), LT2a, LT4c and HT5 categories, in all the other categories, the sales has reduced. The major categories contributing to the reduction in sales with respect to the estimates are LT3, LT6, LT4a, HT2a, HT2b, HT2c and HT3.

GESCOM has attributed the reduction in sales in HT categories to Covid-19, which the Commission has taken note of. The Commission also notes that the sales in domestic category has increased probably due to work from home situation and use of gadgets owing to Covid-19 lockdown.

c. The Commission's observations and replies furnished by GESCOM are discussed below:

i. GESCOM to furnish D-2 Format for FY21.

GESCOM's Reply:

GESCOM has submitted the D2 Format for FY21.

ii. The BJ/KJ number of installations and sales indicated for less than or equal to 40 units and for installations consuming more than 40 units needs to be interchanged in Table 46.

GESCOM's Reply:

GESCOM has submitted the revised Table.

iii. At page-99, it is stated that sales to LT categories has increased by 26.79 MU and that the sales to HT category has decreased by 194.68 MU. The Commission had noted that there is a reduction of 264.73 MU in LT categories and 380.06 MU in HT categories, which was required to be rectified.

GESCOM's Reply:

GESCOM has submitted that considering the actual for FY20, the LT sale has increased by 12.75 MU and HT sales has decreased by 194.67MU. However, with respect to the approved sales it is submitted that there is a reduction in LT sales of 264.73 MU and reduction of 380.05MU in HT sales.

iv. In order to analyze HT sales, GESCOM was directed to furnish the data of sales to HT2(a), HT2(b), HT-2c and HT-4 categories along with the consumption from open access / wheeling for the years 2019-20 and 2020-21 in the specified format.

GESCOM's Reply:

GESCOM has submitted the above information.

v. GESCOM was required to furnish the breakup of BJ/KJ installations consuming less than or equal 40 units and above 40 units for FY22 and FY-23 to FY 25, in the specified format.

GESCOM's Reply:

GESCOM has furnished above data.

B. Sales to IP sets – APR for FY21:

1. To substantiate the sales to IP sets for FY21, GESCOM had not submitted the computations sheets in the Commission prescribed formats along with the abstract for FY21 and FY22 and up to September 2021. However, GESCOM submitted the details of sales as per the Commission prescribed formats along with its replies to preliminary observations and vide e-mail dated 15.01.2022 and 17.01.2022.

2. In its Tariff Order dated 4th November, 2020, the Commission had approved the specific consumption of IP sets as 7,947 units / IP / annum for the FY21, whereas, the specific consumption as reported by the GESCOM, in its Tariff filing for APR for FY21, works out to 7,536.36 units / IP / annum, which indicates a decrease in the specific consumption by 410.64 units / IP / annum amounting to a decrease by 5.16%.

3. The Commission had approved total sales of 3,165.94 MU to the IP sets for FY21, in the Tariff Order dated 4th November, 2020. As reported by GESCOM in the D-2 Format of tariff filing, the actual consumption by IP sets is 3,041.47 MU, indicating a decrease in consumption by 124.47 MU. In percentage terms, the sales have decreased by 3.93%.

4. As reported by GESCOM, the number of IP set installations in service at the end of FY21 is 4,07,519 as against the approved number of 4,02,324 which corresponds to an increase in the number by 5,195 (4,07,519 – 4,02,324) and in terms of percentage it has increased by 1.29%.

5. The Commission notes that as compared with the IP set sales for FY20, there is decrease in sales by 12.53 MU, in FY21 [3,054 (FY20) – 3,041.47 (FY21)] which corresponds to 0.41% and a decrease in the specific consumption by 287.15 [7,823.51 (FY20) – 7,536.36 (FY21)] units per IP set per annum, which corresponds to 3.67% for FY21 as compared to actuals of FY20.

6. The details of sales to IP sets for FY21 as approved by the Commission, in its Tariff Order 2020 and the actual sales as furnished by GESCOM in its Tariff Filing, are as follows;

Particulars	As approved by the Commission in ARR for FY21	As submitted by GESCOM for APR of FY20
Number of installations	4,02,324	4,07,519
Mid-year number of installations	3,98,380	4,03,573
Specific consumption in units / installation / annum	7,947	7,536.36
Sales in MU	**3,165.94**	**3,041.47**

7. Since there is decrease in the specific consumption, GESCOM was directed to furnish the reasons for decrease in specific consumption compared to the approved figures for FY21. In its replies to the preliminary observations, GESCOM has informed that, due to excessive rainfall in its area of operation the specific consumption and sales has decreased with a marginal increase of 5,195 number of IP set installations during the period.

8. GESCOM while submitting the assessment of sales to IP set installations during the present tariff filing, it is observed that the GESCOM has considered various distribution losses of 5%, 6%, 7.8%, 11%, 14% etc., The value of distribution losses considered during different months is also found to be different i.e., for a few months it is 5% and for few months it is 6% to 14% etc., which will have an impact on the overall sales to IP sets and the specific consumption. GESCOM is directed to furnish the rationale behind considering such different values of distribution losses for different agricultural feeders within 3 months of this Order, and directed to furnish the distribution losses considered and the consumption by other loads separately.

However, the Commission directs GESCOM to consider the actual losses for the year of assessment as approved by the Commission in the Tariff Orders while assessing sales to IP sets in future by providing the distribution loss component and the consumption by other loads separately.

9. The Commission, in its preliminary observations had directed GESCOM to furnish the data of GPS as on 31.03.2020 and 31.03.2021 by reconciling survey data with the number of installations in the DCB. In its reply, GESCOM has submitted the data of GPS survey of IP installations as on 30.11.2021. As per the submissions made by GESCOM, the number of IP installations identified in GPS survey is found to be more (authorized and unauthorized) than the number of installations as in the DCB. GESCOM has not furnished the information of IP set installations as per GPS survey as desired by the Commission.

10. The Commission, in its previous Tariff Orders had directed GESCOM to furnish the number of IP installations as per GPS survey and the IP set assessment data submitted, action taken to reconcile the number of IP installations with the DCB figures. The GPS survey data furnished by GESCOM is ambiguous and not acceptable. GESCOM, has failed to report the precise details of actual number of IP installations existing in the field, working IP sets, permanently disconnected IP sets in respect of both the authorized and unauthorized categories, action taken to regularize the unauthorized IP sets etc., and the action taken to reconcile the data of the GPS survey with the DCB figures. Hence, the Commission hereby gives a final chance and directs GESCOM to submit the details without ambiguity in data of total number of IP sets existing, defunct / dried up etc., within 3 months from the date of this Order.

11. As per the detailed calculations of sales to IP sets, feeder wise, month wise data submitted by GESCOM for FY21 vide e-mail dated 15.01.2022, GESCOM has submitted the data substantiating the computed sales of 3041.47 MU to IP sets along with the preliminary observations.

12. Based on the above discussions and on detailed verification of the data, it is noted that the overall sales of 3041.47 MU as submitted by GESCOM for FY21 is acceptable. Therefore, the Commission hereby considers the IP set consumption of 3041.47 MU for FY21.

Hence, the Commission decides to allow the consumption of 3041.47 MU claimed by the GESCOM in its tariff filing for FY21 with the details as follows;

Particulars	Approved sales of IP sets for FY21
Number of installations	4,07,519
Mid-year number of installations	4,03,573
Specific consumption in units / installation / annum	7,536.36
Sales in MU	**3,041.47**

Based on the above computation, the Commission hereby approves 3,041.47 MU of energy, as sales to the IP sets for FY21, as computed and submitted by GESCOM.

On the basis of the above discussion, the total sales for FY21, based onD2 Format / Audited Accounts furnished by GESCOM in response to the preliminary observations, the Commission approves the sales for FY21 as indicated below:

TABLE – 4.5
Approved Category wise sales for FY21

Energy in Million Units

Category	Actuals
BJ/KJ consuming more than 40 units/month	6.25
LT-2a Domestic Lighting	1305.88
LT-2b Pvt. Edcl. Insttns.	9.56
LT-3 LT Commercial	329.91
LT-4b IP Sets above 10 HP	3.29
LT-4c Pvt. Nurseries, Coffee & tea Plantations	1.43
LT-5 LT Industries	176.66
LT-6 WS- Water Supply	399.04
LT-6 SL- Street Lights	206.48
LT-7 LT Temporary Supply	20.87
HT-1 HT Water Supply	122.38
HT-2a HT Industries	911.29
HT-2b HT Commercial	57.75
HT-2c Aided Edcl. Insttns/ Pvt. Hospital	23.85
HT-3a & b HT Irrigations	105.06
HT-4 Residential Apartments	15.21
HT-5 HT Temporary Supply	15.51
Sub total	**3710.42**
BJ/KJ consuming upto 40 units/month	250.36
IP Sets	3041.47
Sub total	**3291.83**
Grand total	**7002.25**

4.2.2 Distribution Loss for FY21:

GESCOM's Submission:

GESCOM in its filing has reported the distribution losses for FY21 as 11.72 % as against the revised distribution losses of 11.00% for FY21 approved by the Commission as per tariff Order 2021, by considering the energy at interfacing points and sales as detailed below:

1	Energy at Interface Points in MU	7931.81
2	Total Sales in MU	7002.24
3	Distribution Loss (%)	11.72

GESCOM in its application has submitted that, there is significant reduction in LT and HT sales due to lockdown imposed due to Covid-19 Pandemic and could not achieved the revised Sales target. The details of reduction LT and HT category submitted by GESCOM are as under:

Category	KERC Approved for FY21	Actuals for FY21	Difference	Percentage Reduction in Sales
LT sales	6015.93	5751.20	-246.73	-4.40%
HT sales	1631.1	1251.05	-380.05	-23.30%
Total	7647.03	7002.25	-644.78	-8.43%

From the above table, it is observed that there is significant reduction of 23.30% in HT consumption wherein, there is a marginal distribution loss. The overall actual losses of GESCOM are higher than approved losses level by 0.72% for FY21.

GESCOM has, further submitted that, in the Tariff Order 2020, the Commission has approved the distribution losses of 14% for FY21. By considering this targeted losses, GESCOM has achieved the distribution loss of 11.72% and which is well within the approved limit.

The Commission in its tariff order 2021, dated 09.06.2021 by considering the achievement made by GESCOM during FY20, has revised the approved distribution losses to 11.00% for FY21, in order to determine the revised distribution loss target for FY22. The revised targeted distribution losses were fixed after the closure of the financial year 2020-21.

The non-achievement of the revised target is beyond the control of GESCOM and not attributable to efficiency of Company.

GESCOM in its filing has requested to allow the loss level of 11.72% of FY21 without levy of any penalty.

Commission's Analysis and Decisions:

The Commission notes that, as per audited accounts GESCOM has achieved the actual distribution loss of 11.72% as against the revised approved distribution loss target of 11.00% as per Tariff Order 2021.

The Commission in its Tariff Order dated 4th November, 2020 had approved distribution losses for FY21 as shown in the table below:

Particulars	FY21
Upper Limit	14.25%
Average	14.00%
Lower Limit	13.75%

The Commission in its Tariff Order dated 9th June 2021, by considering the actual distribution losses of 11.22% achieved by GESCOM during FY20 itself, had revised the approved distribution losses for FY21 as shown in the table below:

Particulars	FY21
Upper Limit	11.25%
Average	11.00%
Lower Limit	10.75%

The performance of GESCOM in achieving the distribution loss target approved by the Commission in past eight years is as follows:

Particulars	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Approved distribution Loss	20.00	18.50	16.50	17.00	16.00	15.00	14.89	11.00 (revised)
Actual Distribution Loss	17.77	18.93	18.10	17.33	16.39	14.41	11.22	11.72

The Commission in its preliminary observations, has pointed out that, GESCOM has achieved the actual distribution losses of 11.72%, as against the revised approved loss of 11.00% for FY21. The actual distribution losses for FY21 has increased by 0.72% over the targeted revised distribution losses of 11.00% for FY21 and increased by 0.5% over the actual distribution losses of FY20.

The Commission notes that, the GESCOM in reply to the preliminary observations has stated that, it is the responsibility of the GESCOM to give quality and reliable power supply to its consumers besides reduction in distribution losses. Capex is proposed every year for various other obligatory works apart from loss reduction which includes:

1) Energization of Irrigation pump sets drilled under Ganga Kalyan Scheme of various Corporations.

2) Strengthening of distribution network by providing Additional Distribution Transformers, enhancement of lower capacity transformers by higher capacity transformers.
3) Reconductoring of age-old HT/LT lines.
4) Establishing new 33/11 kv substations and augmentation in existing 33/11 kv substations.
5) Rectification of hazardous locations for prevention of electrical accidents
6) restoration of power special in flood effected area.

The Commission notes that, the revised of distribution losses from the previously approved losses of 14% to 11% has been fixed after the closure of the financial year 2020-21 in the Tariff Order 2021 dated on 09.06.2021. By considering the previously approved loss target of 14%, there is a reduction in the distribution losses for FY21. However, when compared to the GESCOM's actual distribution losses of 11.72%, there is an increase in the distribution losses by 0.50% which is not acceptable. Considering the GESCOM's previous achievement in reduction of distribution losses and the level of capital expenditure issued on the distribution network, the losses should have been reduced over the actual distribution losses of previous year. The Commission direct the GESCOM to put in maximum efforts in bringing down the loss level with 10% as envisaged by Government of India.

Under the above circumstances, the Commission decides that GESCOM is not entitled for any incentive/penalty for achieving the distribution losses for FY21 and also decides to consider and approve the actual distribution losses at 11.72% for FY21.

4.2.3 Power Purchase for FY21:

GESCOM's Submission:

The Commission, in its Tariff Order dated 4th November 2020, had approved power purchase quantum of 9,170.602 MU for GESCOM at a cost of Rs.4,650.688 Crores, indicating source-wise quantum of power purchase and cost thereon, for FY21. GESCOM, in its application has submitted the details of actual power purchase for FY21 vis-à-vis the approved figures, for the purpose of Annual Performance Review, as under:

TABLE - 4.6

Power Purchase for FY21- Approved and Actuals

Source of Generation	Approved for 2020-21			Actuals as per filing 2020-21			Difference			% increase (+)/decrease (-) over approved figures	
	Energy in MU	Amount in Cr	Avg cost in Rs/kWh	Energy in MU	Amount in Cr	Avg cost in Rs/kWh	Energy in MU	Amount in Cr	Avg cost in Rs/kWh	Energy	Amount
KPCL Hydel Stations	1645.47	183.74	1.12	1784.97	233.92	1.31	139.50	50.18	0.19	8.48	27.31
KPCL-Thermal Stations	1039.12	650.85	6.26	652.88	463.63	7.10	-386.24	-187.22	0.84	-37.17	-28.77
CGS	2947.42	1287.90	4.37	2806.85	1238.22	4.41	-140.57	-49.68	0.04	-4.77	-3.86
Major IPPs	396.00	269.28	6.80	237.21	199.96	8.43	-158.79	-69.32	1.63	-40.10	-25.74
Minor IPPs(RE Projects)	3119.65	1247.64	4.00	3244.81	1370.68	4.22	125.16	123.04	0.22	4.01	9.86
Other State Hydro Projects	22.94	7.71	3.36	28.42	7.51	2.64	5.48	-0.20	-0.72	23.89	-2.59
Transmission Charges (KPTCL/PGCIL)	0.00	999.60		0.00	789.58		0.00	-210.02	0.00		-21.01
SLDC charges	0.00	3.67		0.00	3.67		0.00	0.00	0.00		0.14
POSOCO Charges+PCKL Exp/RE/RRAS	0.00	0.30		0.00	34.80		0.00	34.50	0.00		11500.00
UI / UI South western railways	0.00	0.00		-36.52	3.40	-0.93	-36.52	3.40	-0.93		
Other financial Charges	0.00	0.00		0.00	5.36		0.00	5.36	0.00		
Prior period exp	0.00	0.00		0.00	35.79		0.00	35.79	0.00		
Previous year diff of energy balance	0.00	0.00		-5.23	-2.91	5.56	-5.23	-2.91	5.56		
IEX	0.00	0.00		-212.01	-104.98	4.95	-212.01	-104.98	4.95		
Grand Total	**9170.602**	**4650.688**	**5.07**	**8501.38**	**4278.6271**	**5.03**	**-669.22**	**-372.06**	**-0.04**	-7.30	-8.00
Energy Balancing (Provisional)				4.68	9.38						
Grand Total with Energy Balancing	**9170.602**	**4650.688**	**5.07**	**8506.06**	**4288.01**	**5.04**	**-664.54**	**-362.68**	**-0.03**	-7.25	-7.80

Commission's analysis and decisions:

1. Approved and Actual quantum & Cost of energy for FY21:

As per filing, the actual power purchase quantum for FY21, submitted by GESCOM is 8,506.06 MU, purchased at a cost of Rs.4,392.87 Crores. However, the power purchase amount was revised to Rs.4,392.99 Crores excluding amount pertaining to IEX sales and revised D1 format was submitted by GESCOM on 31st December 2021. This was against the approved quantum of 9,170.602 MU at a cost of Rs.4,650.688 Crores.

On the preliminary observation that, GESCOM has not indicated the amount towards sale of 212.01 MU through IEX in the D1 format, GESCOM had replied that GESCOM has received an amount of Rs.70.72 Crores towards the above sale of energy and the same is accounted as revenue and hence, the amount is not shown in D1 format. However, on verification it is found from the annual accounts for FY21 that the amount towards the sale of power through IEX is Rs.104.9829 Crores. This amount of Rs.104.9829 Crores received towards sale of 212.01 MU needs to accounted in the power purchase cost by deducting the same from the total power purchase cost claimed and hence, the total power purchase cost comes down to Rs.4,288.01 Crores.

In view of the above, there is a decrease in the quantum of power purchase to an extent of 664.54 MU and decrease in the power purchase cost by Rs.362.68 Crores.

The decrease in quantum and cost of power purchase is to the tune of 7.25% and 7.80% respectively as compared with the approved figures.

On decrease in power purchase quantum to an extent of 664.54 MU, GESCOM has submitted that due to COVID-19 Pandemic, GESCOM has purchased the energy less than the approved quantum.

2. Merit Order Despatch:

On the deviation from the merit order scheduling, GESCOM has submitted that, there is no deviation from the merit order scheduling.

The statement enclosed in the replies showing variable cost in the ascending order does not depict the merit order despatch as Renewable Energy Projects which are must run has been included in the merit order despatch list based on their variable cost.

In this regard, **the Commission directs GESCOM to clearly understand the methodology and concept beyond the merit order despatch and effectively monitor its implementation.**

3. Sale of surplus energy:

On Commission had observed that GESCOM has sold surplus energy of 212.01 MU energy at Rs.4.95 per unit and had desired to know as to whether there was profit/loss. GESCOM has not replied for the same.

In this regard, the Commission directs GESCOM to make a critical analysis at each block on the energy sold and amount realized considering the merit order despatch, grid conditions and other relevant parameters, in order to know whether the amount realized from such sale results in profit or loss.

4. Increase in average cost of power supply:

On the Commission's observation that the average cost of thermal stations like BTPS Unit-1, BTPS Unit-3, NTPC Vallur, Kudgi and UPCL, is on a higher side, GESCOM has replied that the GESCOM has paid high average power purchase cost per unit to the above generating stations due to the reserve shut down of the said stations for few months varying from 3 months to 7 months and paid the fixed cost without receiving the energy from the said stations during FY 2020-21 as per Merit Order Despatch (MOD) of SLDC, Bengaluru. Therefore, the average power purchase cost of these power plants has increased.

5. PGCIL Charges:

The Commission notes that, GESCOM has paid PGCIL Transmission Charges of Rs.311.42 Cores as against the approved Cost of Rs.478.42 Crores.

Taking note of the above submissions, the Commission directs GESCOM to ensure that the amount paid towards PGCIL charges are thoroughly verified as per the CERC approved methodology in terms of CERC (sharing of Inter State Transmission Charges and related matters) Regulations 2020 and make sure such amount arrived is prudent.

6. Source wise Generation:

On an analysis of the source-wise approved and actual power purchases, it is observed that, there are deviations in the quantum of energy purchased and cost thereon. There is increase in supply of energy from the Renewal energy sources of power and from energy supplied by the State Owned Hydel projects and other hydro projects. Whereas, there is decrease in the supply from the State owned Thermal Power Plants, Central Generating Stations and Major Thermal IPPs as indicated below:

Source of Generation	Approved Energy for 2020-21 in MU	Actual Energy for 2020-21 in MU	Excess/ Shortfall (-) Energy in MU
KPCL Hydel Stations	1645.47	1784.97	139.50
KPCL-Thermal Stations	1039.12	652.88	-386.24
CGS	2947.42	2806.85	-140.57
Major IPPs	396.00	237.21	-158.79
Minor IPPs(RE Projects)	3119.65	3244.81	125.16
Other State Hydro Projects	22.94	28.42	5.48

Source of Generation	Approved Amount for 2020-21 in Crores	Actual Amount for 2020-21 in Crores	Excess/ Shortfall (-) Amount in Crores
KPCL Hydel Stations	183.74	233.92	50.18
KPCL-Thermal Stations	650.85	463.63	-187.22
CGS	1287.90	1238.22	-49.68
Major IPPs	269.28	199.96	-69.32
Minor IPPs(RE Projects)	1247.64	1370.68	123.04
Other State Hydro Projects	7.71	7.51	-0.20

The excess energy supplied from Renewable Energy Sources, State Owned Hydel projects and other hydro projects and reduction in the energy requirement has resulted in backing down of KPCL Thermal Power Stations, Central Generating Stations and Major Thermal IPPs, but at the same time payment of fixed cost was made to the thermal station, though no energy was purchased from these thermal stations.

7. Variation in the Variable Cost of Thermal Generating Stations:

It was noted from the D- statement and details of Variable Cost (Rs/kWh) submitted in the ascending order, in the compliance of the Commission's preliminary observations, that there is variation in variable cost (Rs/kWh) of thermal generating stations among ESCOMs as indicated below:

Variable Cost (Rs/kWh) as noted from information provided by ESCOMS in D1 Format and in respect of preliminary observation on statement showing the variable cost in the ascending order w.r.t. Merit Order Despatch						
Sl. No.	**Source/ESCOM Name**	**BESCOM**	**MESCOM**	**CESC**	**HESCOM**	**GESCOM**
A	**KPCL Thermal**					
1	RTPS -1 to 7	2.96	3.15	3.18	3.18	3.18
2	RTPS-VIII	3.41	3.55	3.58	3.58	3.58
3	BTPS Unit I	2.84	2.94	2.98	2.98	2.98
4	BTPS Unit II	2.73	**2.82**	2.90	2.90	2.90
5	BTPS Unit III	2.86	2.74	2.88	2.88	2.88
6	Yeramarus TPS	2.85	3.17	2.97	2.96	2.95
B	**Central Projects**					
1	N.T.P.C-Ramagundam, St-I & II	2.38	2.49	2.55	3.87	2.39
2	NTPC-Ramagundam, St-III	2.37	2.35	2.40	1.10	2.20
3	NTPC-Talcher, St-II	1.98	2.01	1.97	1.97	1.98
4	NTPC-Simhadri	3.11	3.08	3.12	3.18	3.30
5	NLC TPS2-Stage 1	2.68	**2.75**	2.75	3.17	3.42
6	NLC TPS2-Stage 2	2.84	2.72	2.75		2.00
7	NLC TPS-2-Expn 1 &2	2.68	2.68	2.61		2.67
8	NLC TPS1-Expn	2.45	3.46	3.73	3.96	3.48
9	Tuticorin (NTPL)1&2	3.07	2.95	3.10	Not Provided	3.00
10	Vallur TPS 1,2 &3	4.09	3.16	3.51	4.19	3.71
11	DVC Unit-1 & 2 Koderma	2.49	2.50	2.61	Not Provided	2.65
12	DVC Unit-7 & 8 Mejia TPS	2.76	2.77		Not Provided	2.77
13	Kudugi 1,2 &3	3.06	2.87	3.28	3.05	2.92
14	NNTPS	2.27	2.22	2.31	2.61	2.28
C	**IPPs-Major-Thermal**					
1	UPCL	3.48	3.07	3.53	3.54	3.37

Individually all the ESCOMs were requested to provide proper reasoning behind this variation in variable cost. The reasons provided by each of the ESCOMs are as below:

BESCOM: BESCOM has submitted that, in respect of variable charges of KPCL thermal stations, KPCL is claiming GCV on station weighted average basis i.e. GCV as fired basis. As per PPA, GCV is to be admitted "as received basis" at power stations. The same is pointed by AG Audit. As such 150 kCal/kg is added to the arrived GCV on received basis of KPCL Thermal Stations. KPCL is considering moisture correction factor only on quantity and not for cost. As per Coal Supply Agreements, the moisture correction factor is to be considered for both quantity and cost. As such, moisture correction factor is considered both for cost and quantity. Due to these factors, variable charges of KPCL Thermal Stations billed by BESCOM is on lower side compared to variable cost billed by other ESCOMs.

Regarding variable charges of Central Generating Stations, BESCOM has submitted that, it includes compensation charges, incentives, SRLDC Charges, FERV and revisions of previous months and has enclosed the Statement showing the details of variable charges considered by BESCOM and the variable cost per unit of other ESCOMs if same charges are proportioned to their share allocation. According to it, the resulting variable cost (Rs/kWh) in respect of all the thermal power plants for all other ESCOMs are in line with BESCOM.

MESCOM: MESCOM has submitted that, the variable cost indicated in the D-1 statement inadvertently includes certain other costs also. MESCOM separates these inadvertent costs and arrives at exclusive variable costs. Such separated exclusive variable costs will be subject to scrutiny by applying the energy charges of each of the generating stations to the monthly scheduled energy, wherein, monthly energy charges are arrived at based on the parameters and formula as per PPA / CERC norms. It is further submitted that, such a scrutiny endorses the correctness of variable charges being admitted by MESCOM in the monthly bills of generating stations.

CESC: The CESC has submitted that, in respect of KPCL thermal power plants except Yearamurus TPS, KPCL is raising monthly invoices on the basis of PPA's and tariff orders issued by the Commission from time to time. The Variable cost in respect of RTPS stations 1 to 7, RTPS-8, BTPS-Unit 1 to 3 stations are worked out on the basis of Coal cost with moisture correction factor i.e. CESC is not deducting the cost related to excess moisture content of the coal received by KPCL in order to arrive at the weighted average cost of the coal in respect of thermal stations. Also, the year-end revision of the Power Purchase cost as furnished by KPCL on 23.08.2021, has been accounted by CESC.

Further as per the approval conveyed by Energy Dept., Govt. of Karnataka vide letter No. Energy/386/PSR/2019 dated 14.10.2020, joint verification of records and accounts of both KPCL and ESCOMs for the purpose of verification of bills and reconciliation of dues of KPCL is being carried out by M/s.Ramraj & Co., Chartered Accountants, Bengaluru, for the period from 2005-06 to current year. After the completion of this reconciliation work, issues relating to moisture content etc. will be resolved. It is further submitted that, in respect of Yeramuras TPS monthly invoices are raised on the basis of PPA and tariff filing.

In respect of Central Generating Stations and UPCL generating station, CESC has submitted that, the energy charges shown in the D-1 statement is inclusive of RLDC charges, Filing charges, Compensation charges, Cess and other Prior period claims received along with the invoices. It is further submitted that, while finalizing the energy and cost for the year 2020-21, the revisions pertaining to FY-21, received up to August-2021 have been included as per the observations of Statutory and AG auditors.

HESCOM: HESCOM has submitted that, Variable Charges of thermal stations includes Energy Charges Rate (ECR), Compensation Charges, SRLDC Charges, Incentive Claims, Foreign Exchange Rate Variation (FERV) charges. Hence, the rate per unit varies. Further, on not providing the variable cost in respect of Tuticorin and DVC units, HESCOM has replied that these units are not scheduling power to HESCOM since HESCOM has not opened valid letter of Credit(LC).

GESCOM: GESCOM has submitted that, in respect of KPCL thermal generating stations, the Variable Cost is taken into account as per KPCL Revised bill dated 23-08-21. It is further, submitted that, KPCL billing & reconciliation work has been assigned to M/s Ramraj & Co. Bengaluru.

In respect of other thermal generating stations, GECOM has submitted that, in Format D-1, the Variable Cost is taken into account including other charges of the bill which is not part of the Variable Cost. Due to consideration of other charges in Variable Cost the per unit variable cost varies from other ESCOMs.

After examining the response from ESCOMs, the Commission is of the considered view that due to lack of proper scrutiny by ESCOMs (other than BESCOM), the variable charges payable to the generating stations tend to vary among the ESCOMs, whereas they should be uniform to all the ESCOMs, except where some additional/

In view of the above, in respect of variation in variable charges among ESCOMs, the Commission directs BESCOM to convey a co-ordination meeting involving all the ESCOMs within Two weeks from the issuance of the tariff order. In the meeting the ESCOMs has to discuss in detail the reasons for variation of variable charges for FY21 and has to arrive at the following:

a) Actual variable cost to be paid in respect of each of the power plant by the respective ESCOM.

b) Deviations in payment of variable cost made by respective ESCOM as against actual variable cost in respect of each of the power plant.

Further, BESCOM shall submit the detailed minutes of the meeting involving the above details to the Commission within two weeks from the date of conduct of meeting, for further needful action.

In the circumstances explained above and in view of fact that the power purchase is un-controllable cost as per MYT Regulations, the Commission hereby decides to approve the actual power purchase quantum of 8506.06 MU at a cost of Rs.4288.01 Crores for FY21 (after deducting Rs.104.98 Crores towards sale of energy through IEX), as per the audited accounts.

4.2.4 Renewable Purchase Obligation (RPO) compliance by GESCOM for FY21:

GESCOM in its filing, has stated that against the target RPO for FY21 of 8% for Non-solar and 8.5% for Solar, it has complied with 29.28% of Non-Solar RPO and 18.97% Solar RPO.

The observations of the Commission and the replies furnished by GESCOM are as indicated below:

i. GESCOM shall furnish energy break-up details for Shimsha and Shivanasamudra projects separately. Also, the hydro energy included in energy balance shall be furnished separately.

GESCOM's Reply:

GESCOM has submitted that the purchase from Shimsha is 15.92 MU and Mani Dam is 6.24MU. Further, it is submitted that the Hydro Energy included in the energy balance is 1784.96 MU of KPCL and 28.42 MU of other Hydro stations.

The Commission notes that GESCOM has furnished the total Hydro Power purchased and not the breakup for the energy balance. As per D-1 format and the accounts, GESCOM has considered 4.68 MU under energy balancing. Since, break up of hydro energy under energy balancing is not furnished, the Commission is unable to consider the same and has proceeded with the available information.

ii. As per D1 format the energy purchased net of Hydro is 6692.68 (8506.06-1784.96-23.69-4.77), whereas at Table-59, page 105, it is indicated as 6753.75 MU. The data shall be reconciled with the audited accounts.

GESCOM's Reply:

GESCOM has submitted that the total energy considered for RPO compliance is 6753.75MU.

iii. As per D-1 format the solar purchased is as follows:

Source	MU
PPA	1048.11
KPCL	1.81
SRTPV	8.45
Total	**1058.37**

It is noted that at page 105 the solar energy considered for FY21 compliance is 1280.88 MU against 1058.37 MU as per D-1 format. GESCOM shall clarify and shall also furnish the break up for bundled power from NTPC, banked and infirm energy from solar separately duly tallying with audited accounts.

GESCOM's Reply:

GESCOM has submitted that the details as per audited accounts is as indicated below:

Source	Energy In MU's
GESCOM Solar PPA	1048.11
KPCL Solar	1.81
SRTPV	8.45
Sub-Total	**1058.37**
Add: NTPC NSM Solar	189.15
Add: NTPC VVNL Solar	14.23
Banked Energy Solar	18.57
Infirm Energy Solar	0.55
Total	**1280.87**

iv. As per D-1 format the Non-solar purchased is as follows:

Source	MU
Wind	1369.58
Mimi-Hydel	130.06
Co-gen	53.46
Co-gen medium term	260.16
Bio-mass	76.85
Total	**1890.11**

It is noted that at page 105, the Non-solar energy considered for FY21 compliance is 1977.70 MU against 1890.11 MU as per D-1 format. GESCOM shall furnish the break up for banked and infirm energy from Non-solar. GESCOM shall reconcile the above data with respect to audited accounts and also consider Shimsha power generation under Non-solar RPO.

GESCOM's Reply:

GESCOM has submitted that the details as per audited accounts is as indicated below:

Source	MU
Wind	1369.58
Mini-Hydel	130.06
Co-gen	53.46
Co-gen medium term	260.16
Bio-mass	76.85
Sub-total	**1890.11**
Add: Banked Energy Non Solar	29.45
Add: Infirm Power Non Solar	44.35
Add: Mani Dam energy	6.24
Add: Shimsha energy	15.92
Total	**1986.07**
Less: Energy under APPC	8.38
Total	**1977.69**

v. For validating the RPO compliance and to work out APPC, GESCOM was directed to furnish the data as per the specified format, duly reconciling the data with audited accounts for FY21 (each item in the table shall be indicated distinctly):

GESCOM's Reply:

GESCOM has furnished the following information:

i. **Non-solar RPO:**

TABLE – 4.7

Non Solar RPO Compliance by GESCOM for FY21

No.	Particulars	Quantum in MU	Cost- Rs. Crs.
1	Total Power Purchase quantum from all sources excluding Hydro energy	6753.75	4151.41
2	Non–solar Renewable energy purchased under PPA route at Generic tariff including Non-solar RE purchased from KPCL	1903.90	774.19
3	Non –solar Short-Term purchase from RE sources, excluding sec-11 purchase	0	0
4	Non –solar Short-Term purchase from RE sources under sec-11	0	0
5	Non-solar RE purchased at APPC	8.38	2.05
6	Non-solar RE pertaining to green energy sold to consumers under green tariff	0	0
7	Non-solar RE purchased from other ESCOMs	0	0
8	Non-solar RE sold to other ESCOMs	0	0
9	Non-solar RE purchased from any other source like banked energy purchased at 85% of Generic tariff	73.80	8.16
10	Total Non-Solar RE Energy Purchased [No 2+ No.3+No.4+No.5 +No.7+No.9]	1986.08	784.40
11	Non-Solar RE accounted for the purpose of RPO [No.10- No.5-No.6-No.8]	1977.70	782.35
12	Non-solar RPO complied in % [No11/No1]*100	29.28%	18.85%

ii. **Solar RPO:**

TABLE – 4.8

Solar RPO Compliance by GESCOM for FY21

No.	Particulars	Quantum in MU	Cost- Rs. Crs.
1	Total Power Purchase quantum from all sources excluding Hydro energy	6753.75	4151.41
2	Solar energy purchased under PPA route at Generic tariff including solar energy purchased from KPCL	1049.93	462.52
3	Solar energy purchased under Short-Term, excluding sec-11 purchase	0	0
4	Solar Short-Term purchase from RE under sec-11	0	0
5	Solar energy purchased under APPC	0	0
6	Solar energy pertaining to green energy sold to consumers under green tariff	0	0

7	Solar energy purchased from other ESCOMs	0	0
8	Solar energy sold to other ESCOMs	0	0
9	Solar energy purchased from NTPC (or others) as bundled power	203.39	112.36
10	Solar energy purchased from any other source like banked energy purchased at 85% of Generic tariff	27.56	11.27
11	Total Solar Energy Purchased [No2+ No.3+No.4+No.5+No.7+No.9+No.10]	1280.88	586.15
12	Solar energy accounted for the purpose of RPO [No.11- No.5-No.6-No.8]18.97%	1280.88	586.15
13	Solar RPO complied in % [No12/No.1]*100	18.97%	14.12%

Commission's Analysis and Decision:

The Commission has taken note of the replies furnished by the GESCOM. The Commission has approved the source-wise power purchase quantum and cost as discussed earlier. Therefore, for the purpose of RPO compliance the Commission has considered the quantum of power purchase as per the APR for FY21. The Commission notes that as per the revised D1 Format furnished by GESCOM the total Hydro purchased is as indicated below:

Source	MU
KPCL Hydro	1784.96
Jurala Hydro	23.65
TB Dam	4.77
Sub-Total	**1813.38**
Less Shimsha	-15.92
Less Mani Dam	-6.24
Energy balance*	0
Total	**1791.22**

* GESCOM did not furnish breakup details for energy balance. Hence Commission has considered Hydro energy balance as zero.

Thus, the total hydel energy purchased will be 1791.22. Therefore, excluding the procurement of 1791.22 MU from hydro sources, the energy purchased by GESCOM based on the audited accounts will be 6714.84 MU (8506.06 MU-1791.22 MU).

The details of Non-solar energy procured as per the revised D1 Format is as indicated below:

Energy in Million Units

Source	MU
Wind	1369.60
Mini-Hydel	130.06
Co-gen	53.46
Co-gen medium term	260.16
Bio-mass	76.85
Sub-total	**1890.13**
*Add: Banked Energy Non Solar	29.45
*Add: Infirm Power Non Solar	44.35
*Add: Mani Dam energy	6.24
*Add: Shimsha energy	15.92
Total	**1986.09**
*Less: Energy under APPC	8.38
* Less: Energy sold in market	27.55
Grand Total	**1950.16**

*As per replies to preliminary observations and Revised D-1 statement

As regards the Non-Solar RPO, considering the input energy of 6714.84 MU (excluding procurement from hydro sources), target Energy for Non-solar RPO at 8.00% works out to 537.187MU (537187 MWh after rounding off). GESCOM has purchased 1950.160 MU (1950160 MWh) of Non-solar energy including purchase of 73.80 MU of banked/infirm energy. Thus, GESCOM has purchased 1412.973 MU (1412973 MWh) excess non-solar energy over and above the target specified. The Commission holds that GESCOM has met its Non-Solar RPO target of 8% for FY21, in terms of the prevailing Regulations.

Regarding the Solar RPO, the details of solar energy purchased as per the revised D1 Format is as indicated below:

Energy In Million Units

Source	Energy In MU's
GESCOM Solar PPA	1048.12
KPCL Solar	1.81
SRTPV	8.45
Sub-Total	**1058.38**
Add: NTPC NSM Solar	189.15
Add: NTPC VVNL Solar	14.23
Add: Banked Energy Solar	18.57
Add: Infirm Energy Solar	0.55
Less: Energy sold in market	69.96
Total	**1210.92**

Considering the input energy (excluding procurement from hydro sources) of 6714.84 MU, target energy for the Solar RPO at 8.50% works out to 570.761 MU (570761 MWh after rounding off). GESCOM has purchased 1210.920 MU (1210920 MWh) of Solar energy. Thus, GESCOM has purchased 640.159 MU (640159 MWh) excess Solar energy over and above the target specified. The Commission holds that GESCOM has met its Solar RPO target of 8.50% for FY21, in terms of the prevailing Regulations.

4.2.5 Operation and Maintenance Expenses:

GESCOM's Submission:

In its application, GESCOM, as per audited accounts, has claimed Rs.858.33 Crores as against Rs.851.19 Crores as approved by the Commission towards O&M expenditure for FY21. The break-up of O&M expenses are as follows:

TABLE – 4.9

O & M Expenses – GESCOM's submission

Amount in Rs. Crores

Particulars	FY21
Employee cost	678.70
Repairs and Maintenance	52.25
Administrative & General Expenses	127.38
Total O & M Expenses	**858.33**

GESCOM in its filing has submitted that:

a. The major component was increase in Contribution towards Pension & NDCPS by 52.72 Crores due to increase in contribution rates of Pension as the Contribution rates were revised twice during the year (i) 57.30% to 68.95 % w.e.f 01.04.2018 and (ii) 57.30% to 64% w.e.f 01.04.2019;

b. Provisioning of Contribution amount towards pension trust were accounted and arrears of previous years paid during the year. Salaries, Wages and arrears payment have resulted in increase of Rs.24.45 Crores and other components such as Staff welfare expenses, Earned Leave encashment and Bonus has reduced to an extent of Rs.10 Crores as compared to previous year.

c. Expenditure on account of replacement of transformers is classified under revenue expenditure which was hitherto allowed as Capital Expenditure has resulted in increase in R&M Expenses by Rs.5.93 Crores.

Commission's analysis and decisions:

The Commission in its preliminary observations, had noted that GESCOM, in its filing of APR for FY21 had projected Rs.190.13 Crores towards Contribution to provident and other funds for FY21. Accordingly, GESCOM was directed to furnish the basis and the details of computations for claiming the amount of contributions to Pension and Gratuity Trust in respect of employees recruited prior to 31.03.2002 and those employees covered under NDCPS scheme separately.

GESCOM in its reply to the observation made by the Commission, has submitted that the major reason for increase in contribution towards pension and NDCPS by Rs.52.72 Crores is due to increase in contribution rates of pension. Provisioning of contribution amount towards pension trust were accounted and the arrears of previous period was paid during the year FY21.

The Commission, in its Tariff Order dated 4th November, 2020 had approved O&M expenses for FY21, as indicated in the following Table:

TABLE – 4.10
Approved O&M Expenses as per Tariff Order dated 04.11.2020

Particulars	FY21
No. of installations as per actuals as per Audited Accts	3345136
Weighted Inflation Index	8.2604%
CGI based on 3 Year CAGR	4.33%
Actual O&M expenses for FY19 - in Rs. Crores.	696.33
O&M Expenses: O&M Index= 0&M (t-1)*(1+WII+CGI-X)	851.19
Total approved O&M Expenses for FY21– in Rs. Crores.	**851.19**

The Commission notes that, GESCOM in its filing, has projected the total O&M expenses of Rs.858.33 Crores for FY21 as against the approved O&M expenditure of Rs.851.19 Crores. This amount consists of Rs.52.25 Crores towards R&M expenses, Rs.678.70 Crores towards Employees cost and Rs.127.38 Crores towards A&G expenses, being the actual expenses, as per the audited accounts for FY21. The actual employees cost includes the expenses incurred towards payment of salaries and wages, contribution to provident and other funds, Bonus/ Ex-gratia, Earned leave encashment, and staff welfare expenses.

The Commission notes that as per the audited account, the O&M expenses of Rs.853.33 reported by GESCOM are more than the approved O&M expenses by Rs.7.14 Crores. The Commission, in accordance with the provision of MYT Regulations and the methodology adopted, while approving the ARR for FY21 and the APR's of the earlier periods, proceeds with the determination of normative O&M expenses based on the 12-Year data of WPI and CPI besides considering 3-year compounded annual growth rate (CAGR) of consumers. Considering the Wholesale Price Index (WPI) as per the data available from the Ministry of Commerce & Industry, Government of India and Consumer Price Index (CPI) as per the data available from the Labour Bureau, Government of India and adopting the methodology followed by the CERC with CPI and WPI in a ratio of 80:20, the allowable rate of inflation for FY21 is computed as follows:

TABLE - 4.11
Computation of Allowable Inflation Rate

WII for APR FY21							
Year	**WPI**	**CPI**	**Composite Series**	**Yt/Y1=Rt**	**Ln Rt**	**Year (t-1)**	**Product [(t-1)*(LnRt)]**
2009	81.9	54.5	59.98				
2010	89.7	61.1	66.82	1.11	0.11	1	0.11
2011	98.2	66.5	72.84	1.21	0.19	2	0.39
2012	105.7	72.7	79.3	1.32	0.28	3	0.84
2013	111.1	80.6	86.7	1.45	0.37	4	1.47
2014	114.8	85.7	91.52	1.53	0.42	5	2.11
2015	110.3	90.8	94.7	1.58	0.46	6	2.74
2016	110.3	95.3	98.3	1.64	0.49	7	3.46
2017	114.1	97.6	100.9	1.68	0.52	8	4.16
2018	118.9	102.4	105.7	1.76	0.57	9	5.10
2019	121.2	110.2	112.4	1.87	0.63	10	6.28
2020	121.8	116.3	117.4	1.96	0.67	11	7.39
A= Sum of the product column							34.05
B= 6 Times of A							204.28
C= (n-1)*n*(2n-1) where n= No of years of data=12							3036.00
D=B/C							0.07
g(Exponential factor)= Exponential (D)-1							0.0696
e=Annual Escalation Rate (%)=g*100							**6.9602%**
As per CERC Notification No.Eco T I / 2021-CERC dated 23.04.2021 with weightage of 80% on CPI and 20% on WPI							

For the purpose of determining the normative O & M expenses for FY21, the Commission has considered the following:

a) The actual O & M expenses as per the audited accounts for FY19 as the base year O&M expenses and the approved normative O&M expenses for FY20 excluding contribution to Pension and Gratuity Trust.

b) The three-year compounded annual growth rate (CAGR) of the number of installations considering the actual number of installations as per the audited accounts up to FY21 at 4.41%.

c) The weighted inflation index (WII) at 6.9602% as computed above.

d) Efficiency factor at 2% as considered in the earlier control periods.

Thus, the normative O & M expenses for FY21 are computed as follows:

TABLE - 4.12
Total Normative allowable O & M Expenses for FY21

Amount in Rs. Crores

Particulars	FY21
No of installations as per actuals as per Audited Accts	3352430
Consumer growth as per actuals / projections (3 Year CAGR)	4.41%
Inflation Index	6.9602%
Base year O&M expenses (As per actuals of FY19)	568.58
Approved O&M expenses without P&G contribution for FY20(Rs.in Crores)	629.34
Normative O&M Expenses: O&M Index= 0&M (t-1)*(1+WII+CGI-X) for FY21 (Rs.in Crores)	**688.29**
Contribution to P&G Trust	190.33
Total allowable O&M Expenses	**878.62**

The Commission notes that, GESCOM as per the audited accounts has accounted Rs.190.33 Crores towards contribution of Terminal benefits to P&G Trust for FY21. The Commission as per the provisions of MYT Regulations has decide to consider the same as an additional allowable O&M expenses for FY21. Thus, the total allowable O&M expenses for FY21 is as under:

TABLE – 4.13
Total Allowable O&M Expenses for FY21

Amount in Rs.Crores

Allowable Normative O&M Expenses	688.29
Additional O&M expenses of Contribution to P&G Trust	190.33
Total allowable O&M expenses	**878.62**

The Commission notes that the actual O&M expenses of Rs.853.76 Crores as per audited accounts is less that the allowable normative O&M expenses of Rs.878.62 Crores, as computed by the Commission after considering the

contribution to the Pension and Gratuity Trust for FY21. The Commission, in its Orders have been stressing the need to control the O&M expenses. The Commission is of the view that allowing the controllable O&M expenses beyond the actual O&M expenses would be a burden on the end consumers particularly during the economic slowdown period on account of COVID-19 Pandemic.

Therefore, the Commission decides to allow the actual O&M expenses of Rs.853.76 Crores incurred by GESCOM towards O&M expenses for FY21.

Thus, the Commission decides to allow Rs.853.76 Crore as the allowable O&M expenses for FY21.

4.2.6 Depreciation:

GESCOM's Submission:

GESCOM, in its application, as per the audited accounts, has claimed an amount of Rs.193.66 as against Rs.172.10 Crores approved by the Commission towards net depreciation, after deducting an amount of Rs.50.57 Crores towards the depreciation on account of assets created out of consumers' contributions / grants as per Accounting Standards (AS)-12 for FY21.

GESCOM in its application, has submitted that the proportion is equivalent to 10% of depreciation charged for plant and machinery/line and cables are reckoned as the basis for arriving at depreciation written back against such quantum received over the year including current financial year under grants/subsidies/consumer contribution and the same is charged back as income and shown distinctively in depreciation schedule in the statement of Profit and Loss.

Commission's analysis and decisions:

The Commission, in its preliminary observations had noted that GESCOM, as per its Audited Accounts, had indicated Rs.50.57 Crores towards depreciation withdrawn on the asset created out of consumer contribution and grants for FY21. Accordingly, GESCOM was directed to submit the details of assets created out of consumer contributions and grants for having claimed the withdrawal of depreciation on such assets for FY21.

GESCOM in its reply to the preliminary observation, has submitted the following details as per the audited accounts for FY21:

Sl. No.	Particulars of asset	OB	Dep. Provided for the year	With-drawal	Closing Balance
1	Plant & Machinery, Substation Transformers, Circuit Breakers, Other Fixed apparatus of rating below 100MVA	89.57	12.67		102.24
2	Towers, Poles, Over-head conductor and devices	237.09	37.90		274.99
Total		**326.67**	**50.57**	-	**377.24**

The Commission has taken note of the amount of depreciation charged on the gross fixed asset as per the GESCOM's audited accounts for FY21. The Commission, in accordance with the provisions of the KERC (Terms and Conditions for Determination of Tariff) Regulations, 2006 and amendments thereon, has determined the depreciation based on the opening and closing balances of gross blocks of fixed assets for FY21, as per the audited accounts and the weighted average rate of depreciation works out to 4.09%.

Further, based on the Accounting Standards (AS)–12, the Commission has recognized an amount of Rs.50.57 Crores as the depreciation on assets created out of consumer contribution / grants accounted (which has been considered by GESCOM as other income as per audited accounts) and deducted from the gross depreciation amount for FY21.

The computation of asset-wise depreciation is shown in the following Table:

TABLE – 4.14
Allowable Depreciation for FY21

Amount in Rs. Crores

Particulars	Opening Balance of Asset as on 01.04.2020	FY21	
		Depreciation	Closing Balance of Asset as on 31.03.2021
Buildings	98.97	3.56	114.72
Hydraulic works	6.66	0.34	7.14
Civil	4.51	0.16	5.13
Plant & Machinery	798.81	38.52	834.48
Line, Cable Network	3861.27	201.13	4319.63
Vehicles	6.72	0.37	7.36
Furniture	6.95	0.36	7.96

Office Equipment	7.45	0.41	7.64
Land	894.45		964.11
Intangible Assets	6.22		8.36
Amortisation on Right of Use Asset	2.19	0.08	2.19
GFA	**5694.21**	**244.93**	**6278.73**
Less: Depreciation withdrawn on assets created by consumer's contribution grants	1149.22	50.57	1229.69
Net Depreciation	**4544.99**	**194.36**	**5049.04**

Based on the above, the Commission decides to allow the net depreciation of Rs.194.36 Crores for FY21.

4.2.7 Capital Expenditure – APR for FY21:

1. GESCOM, in its filling has indicated a capital expenditure of **Rs.407.68 Crores** in 'details of capital budget allocated and Expenditure Booked for FY21' of Table-42 and amount of **Rs.404.76 Crores** in format-D17. GESCOM was directed to indicate the Capex incurred FY21 correctly vis-à-vis the Commission approved capex. The GESCOM, in its reply to the preliminary observations of the Commission has indicated a revised capital expenditure of **Rs.404.76 Crores** for APR for FY21, along with breakup of category-wise expenditure, as shown below:

TABLE – 4.15

Capital expenditure of the GESCOM for FY21

Amount in Rs. Crores

Sl. No.	Particular of the works under Major/ Minor heads	Commission approved Capex	Expenditure incurred for FY21	
			No. of works	Amount
1	GKS-SC	135.00	1662	33.67
2	GKS-ST		1091	20.19
3	GKS-BC		423	7.33
4	GKS-Min		321	6.55
5	GKS-Vishwakarma		16	0.33
5(a)	GK Karnataka Uppar Abhivrudhi Nigam	0.00	0	0.00
5(b)	GK Ambigara Chowdayya Nigam	0.00	0	0.00
5(c)	GK Karnataka Adi Jamabava Abhivrudhi Nigam	0.00	0	0.00
5(d)	GK Karnataka Bhuvi Abhivrudhi Nigam	0.00	0	0.00
	GKS Total	**135.00**	**3513**	**68.07**

6	Water Works	20.00	506	7.18
7	25 kVA Additional DTCs.	28.00	618	9.68
8	63 kVA Additional DTCs.		480	7.30
9	100 kVA Additional DTCs.		77	2.18
10	250KVA Additional DTCs.		2	0.02
	Additional DTCs. Total	**28.00**	**1177**	**19.18**
11	25kVA to 63kVA DTC Enhancement.	16.50	395	3.37
12	63kVA to 100kVA DTC Enhancement.		324	3.55
13	100KVA to 250KVA DTC Enhancement.		0	0.00
	DTC Enhancement Total	**16.50**	**719**	**6.92**
14	Shifting of existing DTC to load center	1.55	34	0.59
15	LT Line Conversion of 1 Ph 2 wire or 1 Ph 3 wire to 3Ph 5 Wire (Including providing ABC,UG cable etc)	10.00	34	0.46
16	Providing SMC Box to DTCs	0.00	1	0.01
17	Replacement of Damaged poles	10.00	1995	16.34
18	Energisation of IP Sets under General category	6.41	120	2.32
19	Energisation of IP Sets under General category (Shigra Samparka Yojane)	5.00	498	4.59
20	Service Connection works other than IP/BJ/KJ/Water works.	9.00	427	5.57
21	Sub Stations.	50.00	6	12.16
22	Stations Augmentation		3	1.76
23	Providing 33kV new link Lines for bifurcation load and Express Feeder		2	0.00
24	Providing 11kV new link Lines for bifurcation load and Express Feeder	34.80	214	4.58
25	Nirantara Jyoti Yojana	0.00	9	2.42
26	RAPDRP Part-A	0.00	0	0.02
27	RAPDRP Part-B	0.00	3	0.01
28	Un Authorized IP Sets	6.00	1093	11.47
29	Providing meters to IP Sets above 10 HP	1.73	3	0.02
30	Providing meters to BJ/KJ	2.00	0	0.00
31	Providing meters to Street Lights and Water Supply.	1.00	6	0.01
32	Replacement of Faulty / MNR energy meters other than BJ/KJ/ Street Light.	4.00	42	0.26
33	Replacement of EM meters by Static meters	7.74	5	0.36
	DTC Metering of RAPDRP	1.25	0	0.00
35	DTC Metering of non RAPDRP	1.75	0	0.00
36	Replacement of 33kV Line Rabbit Conductor by Coyote Conductor	10.00	0	0.00
37	11kV Re-Conductoring	25.00	89	1.55
38	LT Re-Conductoring		204	2.88
39	IT Initiatives, Automation and Call Centers	17.00	2	1.73
40	Establishing ALDC & SCADA	1.50	0	0.00
41	Distribution Automation System (DAS)	0.00	0	0.00
42	DSM	8.00	0	0.00

43	Replacement of failed Distribution Transformers by New Transformer by Scraping failed Transformer which is beyond Repair.	36.00	765	3.32
44	Replacement of Power Transformers	4.00	6	0.20
45	Replacement of Old and failed equipments and other works of existing 33kV Stations & Lines.	10.00	100	1.46
46	Preventive measures to reduce the accidents (Providing intermediate poles, Re-stringing of sagging lines, providing guy and stud, guarding,shifting of lines, fencing of DTCs)	25.00	1345	12.71
47	Saftey Materials	1.50	0	0.00
48	Civil works	12.00	84	15.38
49	SCP/TSP	25.00	139	3.54
50	SDP works	70.00	1953	36.82
51	DDUGJY	80.00	167	100.29
52	IPDS	15.00	25	16.99
53	HT Conductor by 11KV AB Cable/UG Cable	2.50	3	0.00
54	T&P Materials i) Furniture	2.00	0	0.13
55	Computer and Printers (T & P materials)		1	0.12
56	Shifting of meter from I to O	0.00	22	4.01
57	Creation of Electrical Infrastructures for conversion of Existing various villages to Model villages	10.00	0	0.00
58	SOUBHAGYA Scheme	5.00	35	23.13
59	CWIP- Capital Expenditure booked for restoration of infrastructure in flood affected areas.	0.00	1019	12.62
60	Solar Roof Top of existing GESCOM buildings and substations under 13th Finance Commission.	0.00	8	3.54
Total		**711.23**	**16377**	**404.76**

2. Preliminary Observations and Replies by GESCOM:

a. The Commission, in its Tariff Order dated 4th November, 2020, had recognized the capex proposal of GESCOM for Rs.733.23 Crores for FY21. However, the Commission decided to reckon the expected capital expenditure of Rs.603.74 Crores for the purpose of determination of Tariff for FY21, by considering the capital grants, consumer contribution and internal resources for the various proposed works to be executed.

GESCOM, in its filling has indicated a capital expenditure of Rs.407.68 Crores in 'details of capital budget allocated and Expenditure Booked for FY21' of Table-42 and amount of Rs.404.76 Crores in format D17. After the Commission made observation on inconsistent figures furnished by GESCOM, same was revised to Rs.404.76 Crores.

From the reply furnished by GESCOM, the Commission notes that GESCOM has submitted the revised capex incurred of Rs.404.76 Crores for FY21, in comparison in comparison to the proposed amount of Rs.711.23 Crores.

In view of the above, the Commission concludes that GESCOM has failed to analyze the observation of the Commission and GESCOM has not verified/compared, its earlier capex proposal, which was recognized by the Commission, in its Tariff Order dated 4th November, 2020, while making the comparison with the Commission approved capex.

b. GESCOM has not furnished the details of sources of funding (like grants, debt, equity and internal sources) besides loans raised to meet the capex towards the capex incurred during the FY21, against each of the category of works.

c. The Commission notes the reply submitted by GESCOM in respect of replacement of faulty transformers by new transformers, wherein, GESCOM has stated that it has replaced 285 no's of 25 KVA transformers, 60 no's of 63 KVA transformers, 36 no's of 100 KVA transformers and 3 no's of 100 KVA transformers with new transformers. Total capex incurred of Rs.3.31 Crores towards replacement of faulty transformers by new transformers.

d. GESCOM has incurred capex of Rs.0.624 Crores as against projected capex of Rs.11.74 Crores towards Replacement of Faulty / MNR energy meters other than BJ/KJ/ Street Light and Replacement of EM meters by Static meters. This clearly shows that GESCOM is not making serious efforts to reduce its technical and commercial losses.

The Commission, in 1st quarter Review Meeting held on 11.08.2021, had taken a serious note of the fact that there are more number of MNR meters to be replaced in GESCOM as compared to other ESCOMS, particularly in the respect of HT, LT-2, LT-3 & LT-5, which contribute to significant commercial losses in GESCOM. Hence, the Commission had directed GESCOM to plan for a time bound replacement of MNR meters by fixing responsibility at division level to ensure compliance of CoS Regulations and also undertake test checking of meter-readings by higher authorities to ensure that the details thereon are furnished to the Commission, periodically.

Further, the Commission has been directing the ESCOMs to conduct energy audit, by listing out high loss making 11kV feeders and take up system strengthening works to reduce losses. GESCOM should also move in this direction and list out the high loss making feeders based on the input energy to each of the feeders and sale of energy in that feeder.

3. Commissions Analysis and Decision:

The Commission, taking note of the achievement of the capex for FY21, notes that the GESCOM has incurred capex of Rs.404.76 Crores, which is 55% of the approved capex of Rs.733.23 Crores for FY21. This shows that, the GESCOM is not properly planning, monitoring and executing its capex and is not executing the works as per the 'Capital expenditure guidelines' issued by the Commission.

The Commission also notes that the GESCOM has underutilized the capex. Which clearly shows that GESCOM is not prioritizing and projecting the achievable capex for effective monitoring and timely completion of the works so that real benefits can be passed on to the consumers.

Further, the GESCOM should mandatorily follow the "Capital Expenditure Guidelines" wherein the capital investment planning process, prioritization and post-commissioning analysis to be adopted by the ESCOMs are elaborated. Prioritizing of projects to be taken up for execution should be based on payback period and benefit to cost ratio.

The Commission, after reviewing the capex achieved by GESCOM for FY21, decides to allow the capex of Rs.404.76 Crores, which is less than the approved capex of Rs.733.23 Crores, subject to prudence check.

4. Review of Dis-allowance towards imprudent work pertaining to FY20 as per Tariff Order dated 9th June 2021.

The Commission, vide letter dated 15.07.2021 had directed GESCOM to furnish the compliance on the final report submitted by consultants, in respect of prudence check of capital expenditure pertaining to completed capitalized works categorized during FY19 and FY20, within 20th August 2021 with reminder vide letter dated 01.09.2021, to submit the compliance within 13th September 2021. Accordingly, GESCOM, vide its letter dated 02.09.2021, has submitted its comments and compliance to the above observations made in the final report along with current status of imprudent work of FY20.

The current status of the Imprudent works as furnished by GESCOM and Commission's decisions thereon are as under:

Sl. No.	Name of the work on the Capital works	Status as furnished by GESCOM	Commission's Decision
1	Arranging Power Supply to 5HP GKY KMDC (GK060316170001) IP Set installation in the name of Sri. Sharanappa S/o Mallappa Hadapad R/o Nandapur Village Sy.No.14/1/3 in Tavaragera Section/Kushtagi Sub-Division. (Amount categorized in Rs. 0.03 Crores) for FY20.	GESCOM has submitted the consumer acknowledgement letter dated 20.03.2021, along with site photograph for arranging power supply to GK IP set.	In view of the reply furnished by GESCOM, the Commission decides to consider this work as **prudent from 20.03.2021 onwards** and disallow the interest on loan and depreciation on amount categorized for 1st April 2020 to 19th March 2021 in APR of FY 21 of GESCOM. However, for the period from 1.4.20 to 19.03.21 the work is treated as non-prudent and the depreciation and interest on the imprudent capex is disallowed in ARR of FY21.

As the work has been considered as imprudent from 01.04.2020 to 19.03.2021, the expenses towards depreciation and interest incurred on imprudent capital work by GESCOM, have to be disallowed, in APR of FY21, as detailed below:

The amount to be disallowed for GESCOM due to imprudent work of FY20 (Amount in Rs in Crores)	
Name of the imprudent Work Arranging Power Supply to 5HP GKY KMDC (GK060316170001) IP Set Installation in the name of Sri.Sharanappa S/o Mallappa Hadapad R/o Nandapur Village Sy.No.14/1/3 in Tavaragera Section/Kushtagi Sub-Division.	0.03
Target date of completion, Year of completion and categorization	07.12.2018, 26.03.2018 28.02.2020
Period for which amount to be disallowed	01st April 2020 to 19th March 2021
Amount to be disallowed for FY21(up to FY20 disallowed in Tariff Order 09.06.2021)	0.0033
Total amount to be disallowed	**0.0033**

While arriving at the above amounts for disallowance, **the weighted average rate of interest on loans and depreciation** considered as below:

Company	FY21	
	Wt. Avg. Dep	Wt. Avg. Interest on loan
GESCOM	4.09%	10.79%

In view of the above, the Commission hereby disallows Rs.0.0033 Crores for FY21 towards depreciation and interest on loans allowed in respect of imprudent works. Accordingly, the same is ordered to be deducted in GESCOM APR of FY21.

4.2.8 Interest and Finance Charges:

a) Interest on Capital loan:

GESCOM's Submission:

The GESCOM, in its application has claimed an amount of Rs.209.96 Crores (excluding interest liability of Rs.54.10 Crores on component of loan from Shareholders) as against Rs.119.74 Crores, approved by the Commission towards interest on capital loans drawn from Banks/Financial Institutions for FY21 and has requested the Commission to approve the same.

Commission's analysis and decisions:

The Commission in its preliminary observations had observed that as per Format –D9, GESCOM had included Rs.54.01 Crores towards interest liability component of loan from Shareholders for FY21. GESCOM was directed to submit a detailed explanation for this amount along with computation sheet.

GESCOM in its reply to the preliminary observations, has submitted that as per IND AS-109, loan amortisation needs to be accounted for interest free loan from GoK of Rs.1000 Crores, the same has been accounted based on equated interest rate at 7.85% amounting to Rs.54.10 Crores and has been classified under finance costs "Interest on Loans from shareholders", which is a non-cash item.

The Commission has taken note of the loan portfolios of GESCOM (opening and closing balances of capital loans and the interest thereon) as per the audited accounts for FY21 and the data in Format D-9 of the filings as submitted by GESCOM. As per the data furnished under D-9 format and as per audited accounts of GESCOM, the total interest on capital loan, of Rs.209.96 Crores includes interest on short loan / overdraft also (working capital) for FY21.

Further, the Commission notes that as per the audited accounts, considering the average loan of Rs.862.35 Crores and an amount of Rs.93.09 Crores incurred towards interest on capital loans, without including the working capital loans the weighted average of interest rate works out to 10.79%. The Commission, considering the capital loan portfolio of GESCOM, has observed that GESCOM has availed loans from PFC and REC at the interest rate ranging from 8.00% to 12.00%. Considering the rate of interest at which the capital loan barrowed by GESCOM, as indicated in the details of loan furnished in D-9 Format and the additional information submitted, the actual weighted average rate of interest is comparable with the prevailing rate of interest for long term capital loans availed from PFC/REC. Accordingly, the allowable interest on long term capital loan for FY21 is indicated in the following Table:

TABLE – 4.16

Allowable Interest on Loans – FY21

Amount in Rs. Crores

Particulars	FY21
OB: Secured and unsecured loans	903.76
Add: New Loans	5.00
Less: Repayments	87.82
Total loan at the end of the year	820.94
Average Loan	862.35
Interest paid on long term loans	93.09
Weighted average rate of interest based on the actual interest paid on long term loans in %	10.79%
Allowable Interest on capital loan	**93.09**

Thus, the Commission decides to allow an amount of Rs.93.09 Crores towards Interest on capital loans for FY21.

b) Interest on Working Capital:

GESCOM's Submission:

GESCOM, in its application, has claimed an amount of Rs.109.08 Crores as against Rs.113.19 Crores as approved by the Commission towards interest on short term loans and overdraft from the Commercial Banks and Financial Institutions for FY21 and sought approval of the Commission for the same.

Commission's analysis and decisions:

The Commission, in its Tariff Order dated 4th November, 2020, while approving the ARR for FY21, has computed the working capital at the interest rate of

11.00%. The Commission notes that, GESCOM has availed short-term loans and overdraft at the rate of 8.85% to 11.25% from REC and Commercial Banks during the FY20 which is on the higher side as compared with the interest rate at which the other ESCOMs have borrowed the working capital. The Commission taking note of the SBI MCL rates charged for the short term loans, further observed that there is downward trend in the MCL rates in the financial market. The Commission also note that GESCOM has not availed the benefit of the reduced rate of interest offered by the Banking sector in recent years, while availing loans towards meeting the working capital requirement.

The Commission directs GESCOM to avail working capital loan at competitive rates offered by the Banking industry, to reduce the interest burden on the consumers.

The Commission, notes that GESCOM has not availed adequate working capital to settle the power purchase dues and incurred an amount of Rs.94.09 Crores towards interest on belated payment of power purchase bills for FY21. The Commission further notes that, GESCOM has incurred actual interest of Rs.62.98 Crores on working capital for FY21 without factoring the interest liability component of loan from share holder claimed under D-9 format in the APR application. For approving the rate of interest of working capital, the Commission in accordance with the MYT Regulations has considered MCLR of one year+250 basis points which works out to 9.50%. Therefore, the Commission has computed the normative interest on working capital loans, at an interest rate of 9.50% for FY21 and has allowed actual interest on working capital + 50% of the difference between normative interest on working capital and the actual interest on WC.

As per the KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail sale of electricity) Regulations, 2006 and amendments thereon, the Commission has computed the allowable interest on working capital for FY21 as follows:

TABLE – 4.17
Allowable Interest on Working Capital for FY21

Amount in Rs. Crores

Particulars	FY 21
One-twelfth of the amount of O&M Exp.	71.15
Opening GFA as per Audited Accounts	5694.21
Stores, materials and supplies 1% of Opening balance of GFA	56.94
One-sixth of the Revenue	845.64
Total Working Capital	973.73
Rate of Interest (% p.a.)	9.50%
Interest on Working Capital	**92.50**
Actual Interest on Working Capital incurred	**62.98**
Allowable interest In on WC (actual interest on working capital + 50% of the difference between normative interest on working capital and the actual interest on WC)	**77.74**

Thus, the Commission, decides to allow an amount of Rs.77.74 Crores towards interest on working capital for FY21.

c) Interest on Consumers' Security Deposits:

GESCOM's Submission:

The GESCOM in its application as per audited accounts has claimed an amount of Rs.25.54 Crores towards payment of interest on consumers' security deposits for FY21 and sought approval of the Commission for the same.

Commission's analysis and decisions:

The Commission notes the opening and closing balance of consumer security deposit as per audited accounts for FY21. The actual interest on the consumer deposit as per the audited accounts is Rs.25.54 Crores. The weighted average rate of interest on the average of opening and closing balance of deposits works out to of 4.39%. As per the KERC (Interest on Security Deposit) Regulations, 2005, the interest on consumers' security deposits shall be allowed as per the Bank Rate prevailing on the 1st of April of the relevant year. The bank rate as on 1st April, 2020 was 4.65%. Since the weighted average rate of interest claimed by the GESCOM, as per the audited accounts, is well within the applicable bank rate, **the Commission decides to allow an amount of Rs.25.54 Crores towards interest on consumers' security deposits for FY21.**

d) Other Interest and Finance charges:

GESCOM Submission:

The GESCOM has not claimed any amount towards other interest and finance charges for FY21. Hence, the Commission decides not to allow any amount towards other interest and finance charges in the APR for FY21.

e) Interest Capitalization:

GESCOM in its application as per the audited accounts has claimed Rs.4.69 Crores towards capitalization of interest on capital loan for FY21. Accordingly, the Commission decides to approve the same for FY21.

The total allowable interest and finance charges for FY21 are as follows:

TABLE – 4.18

Allowable Interest and Finance Charges for FY21

Amount in Rs. Crores

Sl. No.	Particulars	FY21
1.	Interest on Loan capital	93.09
2.	Interest on working capital	77.74
3.	Interest on consumers' security deposits	25.54
4.	Less: Interest Capitalised	-4.69
	Total interest and finance charges	**191.68**

4.2.9 Other Debits:

GESCOM's Submission:

The GESCOM, in its application has claimed an amount of Rs.78.32 Crores towards Other debits by considering only the provision for bad and doubtful debts for FY21.

Commission's analysis and decisions:

The Commission notes that, GESCOM in its filing, without recognising the other items of expenses, has claimed only the provisions created for bad and doubtful debts which is not admissible as per the provisions of MYT Regulations. As per the provisions of MYT Regulations, the allowable Other debits excluding the provision for bad and doubtful debts for FY21, are as detailed below:

TABLE – 4.19
Allowable Other Debits for FY21

Amount in Rs. Crores

Sl. No	Particulars	FY21
1	Compensation for death, injuries and damages	4.06
2	Assets decommissioning cost	0.05
4	Miscellaneous losses and write offs	0.53
	Total	**4.64**

Thus, the Commission decides to consider an amount of Rs.4.64 Crores as other debit for FY21.

4.2.10 Return on Equity:

GESCOM's Submission:

The GESCOM in its filings has not claimed any Return on Equity on the pretext that, the opening balance of equity as per the audited accounts depicts a negative net worth for FY21.

Commission's analysis and decisions:

Status of Debt & Equity ratio vis-a-vis GFA:

The Commission in its preliminary observations, had observed that GESCOM in its filing as per Format D-15, has projected the opening and closing balance of GFA for FY21 to FY25. GESCOM was directed to submit the details of GFA created out of consumer's contribution & grants and for the other assets created, amounts from internal resources & borrowings at the end of FY20 and FY21 and to verify the compliance of the directive in terms of Hon'ble ATE Order in OP 46/2014.

GESCOM in its reply to the preliminary observations, has submitted the following details:

Sl. No.	Particulars of the assets	OB	For the year	Withdrawal	Closing balance
1	Plant & Machinery, Substation Transformers, Circuit Breakers, Other Fixed apparatus of rating below 100MVA	315.25	21.46		336.70
2	Towers, Poles, Over-head conductor and devices	750.78	102.50		853.29
Total		**1066.03**	**123.96**	**0.00**	**1189.99**

The Commission takes note of the closing balances of gross fixed assets along with break-up of equity and loan component and the details of GFA, debt and equity (net-worth) for FY21 as per the actual data as per the audited accounts are indicated as follows:

TABLE – 4.20

Status of Debt Equity Ratio for FY21

	GFA (Without assets created out of CC/Grant) Rs. Crores	Debt (Actuals) Rs. Crores	Equity (Net-worth) (Actuals) Rs. Crores	Normative Debt @ 70% of GFA	Normative Equity @ 30% of GFA	%age of actual debt on GFA	%age of actual equity on GFA
Opening Balance	**4544.99**	903.76	-507.04	3181.49	1363.50	19.88%	-11.16%
Closing Balance	**5049.04**	820.94	-151.43	3534.33	1514.71	16.26%	-29.95%

From the above table, it is seen that the amounts of debt equity ratio are not exceeding the normative debt equity ratio of 70:30, on the closing balances of GFA for FY21.

As per the provisions of the KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail sale of electricity) Regulations, 2006 and amendments thereto, the allowable Return on Equity at 15.5% has to be allowed on the share capital, share deposit, accumulated balance of profit/loss under reserve & surplus account as per the audited accounts, as at the beginning of the year duly factoring the recapitalization of consumers' security deposit amount in compliance with the Orders of the Hon'ble ATE in appeal No.46/2014.

Accordingly, the allowable RoE for FY21 is considered. The total net-worth at the beginning of FY21 is Rs. -507.04 Crores which is a negative balance and hence, GESCOM is not entitled for any RoE for FY21. However, the factual position of opening balance of equity of GESCOM is indicated below:

TABLE – 4.21
Allowable Return on Equity for FY21

Amount in Rs. Crores

OB of Paid Up Share Capital	1114.96
OB of Share Deposits	395.03
OB of Carried forward Profit/loss	-1995.03
Less: Recapitalized Security Deposit	-22.00
Net Equity at the beginning of the year	-507.04
Allowable RoE	**0.00**

Further, it is noted that the additional equity of Rs.112.87 Crores has been infused during the year at different dates by the Government of Karnataka as indicated below:

TABLE - 4.22

Return on equity for the additional equity received during FY21

Additional Equity received during FY21	Amount in Crs.	Received on	No. of Months	RoE to be allowed
EN321 PSR 2020 dtd.29.08.2020	19.95	16.09.2020	6	1.25
EN322 PSR 2020 dtd.29.08.2020	3.41	Sept.2020	6	0.26
EN353 PSR 2020 dtd.15.09.2020	14.82	29.09.2020	6	1.15
EN321 PSR 2020 dtd.05.01.2021	19.95	25.01.2021	2	0.52
EN322 PSR 2020 dtd.05.01.2021	3.21	Jan.21	2	0.08
EN353 PSR 2020 dtd.05.01.2021	14.19	25.01.2021	2	0.37
EN322 PSR 2020 dtd.09.03.2021	3.21	March 2021	0	0.00
EN353 PSR 2020 dtd.09.03.2021	14.19	18.03.2021	0	0.00
EN321 PSR 2020 dtd.09.03.2021	19.95	20.03.2021	0	0.00
Total	**112.87**			**0.00**

However, it is noted that even after considering the additional equity received during FY21, the net worth of GESCOM remains negative, and the RoE is not allowable for FY21.

Thus, the Commission decides not to allow any RoE for FY21.

4.2.11 Other Income:

GESCOM's Submission:

The GESCOM in its application has indicated an amount of Rs.103.12 Crores as Other Income under APR for FY21.

Commission's analysis and decisions:

The Commission notes that as per the audited accounts an amount of Rs.207.80 Crores has been accounted under the account head 'other income' for FY21. The other income of Rs.207.80 Crores includes rental income, interest income, rebate on remittance of electricity duty depreciation charged on the assets created out of grants received from government and consumer contribution for Capital works and as per AS-21 incentives received on prompt payment of power purchase bills and other miscellaneous income for FY21. The Commission without considering the written back depreciation on assets created out of consumers contribution / grants as the same is accounted under depreciation expenditure head and allowing to .retain 10% of incentive earned on early payment of Power Purchase of Rs.2.74 Crores as an incentive to GESCOM, the net allowable other income is Rs.100.38 Crores for FY21.

Thus, the Commission decides to allow an amount of Rs.100.38 Crores as other income for FY21.

4.2.12 Fund towards Consumer Relations / Consumer Education:

GESCOM's Submission:

The GESCOM, in its application, has not claimed any amount towards Consumer Education/Consumer Relation for FY21.

Commission's analysis and decisions:

The Commission has been allowing an amount of Rs.0.50 Crore per year towards consumer relations / consumer education. The Commission notes that, expenditure incurred consumer relation/ education have not been properly booked under the head of accounts. The Commission as per the audited accounts notes that, an amount of Rs.0.01 Crore has been incurred towards Consumer Relations/Consumer Education for FY21.

Thus, the Commission decides to approve Rs.0.01 Crore towards Consumer Relations / Consumer Education for FY21, with direction to book the expenditure properly.

4.2.13 Revenue for FY21:

The GESCOM, as per its audited accounts, has considered Rs.3118.88 Crores as revenue from sale of power from consumers and miscellaneous charges from consumers for FY21 and subsidy of Rs.2059.92 Crores.

Commission's analysis and decisions:

As per the GESCOM audited accounts for FY21, revenue from sale of power is Rs.3118.88 Crores, which also includes an amount of Rs.104.98 Crores collected on the sale of power to an extent of 212.01 MU through IEX. The Commission, while approving the power purchase cost has reckoned this amount and allowed the net power purchase cost of Rs.4288.01 Crores for FY21. Accordingly, the Commission after deducting Rs.104.98 Crores being the amount collected on the sale of power to an extent of 212.01 MU through IEX, decides to consider Rs.3026.13 Crores as revenue from sale of power and miscellaneous charges from consumers and Rs.183.23 Crores and Rs.1864.47 Crores as subsidy to BJ/KJ and IP sets installation for FY21, in the approval of revised ARR as per APR of GESCOM for FY21. Thus the Commission decides to consider Rs.5073.83 Crores as revenue from sale of power and miscellaneous charges for FY21.

4.2.14 Subsidy for FY21:

The Commission in its Tariff Order dated 4th November, 2020, had approved the tariff subsidy of Rs.2095.07 Crores towards sale of power to BJ/KJ and IP sets installations for FY21, in accordance with the prevailing Government Order. The Commission notes that, as per the audited accounts, the tariff subsidy towards sale of power to BJ/KJ and IP Sets installations is Rs.2047.70 Crores for FY21. The Commission, while computing the revised ARR as per the APR for FY21, has considered revised tariff subsidy of Rs.2047.70 Crores towards sale of power to BJ/KJ and IP sets installations for FY21.

4.3 Abstract of Approved ARR for FY21:

As per the above item-wise decisions of the Commission, the consolidated Statement of revised ARR for FY21 is as follows:

TABLE – 4.23

Approved revised ARR for FY21 as per APR

Amount in Rs. Crores

Sl. No	Particulars	As approved 04.11.2020	As filed	Approved in APR for FY21
1	Energy at Gen Bus in MU	9170.60	8506.11	8506.06
2	Energy at Interface in MU	8891.91	7931.86	7931.86
3	Distribution Losses in %	14%*	11.72%	11.72%
	Sales in MU			
4	Sales to other than IP & BJ/KJ	4243.15	3710.42	3710.42
5	Sales to BJ/KJ	237.95	250.36	250.36
6	Sales to IP	3165.94	3041.47	3041.47
7	**Total Sales-MU**	**7647.04**	**7002.25**	**7002.25**
	Revenue from tariff and Misc. Charges:			
8	Revenue from tariff and Misc. Charges	3547.32	3118.88	3026.13
9	Tariff Subsidy for BJ/KJ	177.75	190.17	183.23
10	Tariff Subsidy for IP	1988.21	1869.75	1864.47
	Total Existing Revenue	**5713.28**	**5178.80**	**5073.83**
	Expenditure			
11	Power Purchase Cost	4125.84	3911.04	3806.18
12	Transmission charges of KPTCL	521.18	478.16	478.16
13	SLDC Charges	3.67	3.67	3.67
	Power Purchase Cost including cost of transmission	**4650.69**	**4392.87**	**4288.01**
14	Employee Cost		678.70	
15	Repairs & Maintenance		52.25	
16	Admin & General Expenses		127.38	
	Total O&M Expenses	**851.19**	**858.33**	**853.76**
17	Depreciation	172.10	193.66	194.36
	Interest & Finance charges:			
18	Interest on Loans	119.74	209.96	93.09
19	Interest on Working capital	113.19	109.08	77.74
20	Interest on belated payment on PP Cost	0.00	94.09	0.00
21	Interest on consumer deposits	32.36	25.54	25.54
22	Other Interest & Finance charges	0.00	0.00	0.00
23	Less: interest capitalized	-5.75	-4.69	-4.69

Sl. No	Particulars	As approved 04.11.2020	As filed	Approved in APR for FY21
	Total Interest & Finance charges	**259.54**	**433.98**	**191.68**
24	Other Debits	0.00	78.32	4.6352
25	Net Prior Period Debit/Credit	0.00	0.00	0.00
26	Return on Equity	87.40	0.00	0.00
27	Provision for taxation	0.00	-9.39	0.00
28	Funds towards Consumer Relations/Consumer Education	0.50	0.00	0.01
29	Less: Other Income	-93.09	-103.12	-100.38
	Net Movement in Regulatory Deferral Account	0.00	504.05	0.00
	ARR	**5928.32**	**6348.70**	**5432.08**
30	Surplus of FY19 carried forward	-215.04	0.00	0.00
31	Disallowance towards imprudent Capex	0.00	0.00	**-0.0033**
33	**Net ARR**	**5713.28**	**6348.70**	**5432.07**
34	**Surplus / Deficit (-) for FY21**	**-178.43**	**-1169.90**	**-358.25**
35	**Approved Regulatory assets to be recovered during FY22 & FY23 as per T.O dated 04.11.2020**	**178.43**		**178.43**
36	**Net deficit to be carried forward to ARR of FY23**	**0.00**	**-1169.90**	**-179.82**

*** Subsequently In Tariff Order 2021, distribution losses are revised to 11%**

4.3.1 Gap in Revenue for FY21:

The Commission after Annual Performance Review of GESCOM for FY21, decides to allow a net ARR of Rs.5432.07 Crores as against the approved ARR of Rs.5713.28 Crores, for FY21. The Commission has issued the Tariff Order, 2020 dated 4th November 2020, which is effective from 1st November, 2020. Due to total lock down declared by the GOI/GOK on account of Covid-19 pandemic, pendency of Appeal No. 97 of 2020 filed by KPTCL before the Hon'ble Tribunal against the Commission's Order dated 16.01.2020 and the disposal of the Appeal on 05.10.2020 and the applicability of the Code of Conduct on account of announcement of bye-election to the Assembly Constituencies, the Tariff Order could not be issued in time. While issuing the Tariff Order to reduce the burden on the end consumers particularly during the adverse financial situation due to the setback of economic activities during the lock down period, the Commission decided to give effect of the revision in Retail Supply Tariff with effect from 1st November, 2020 which has resulted in recovery of additional revenue only for a period of 5 months during FY21. The remaining unmet gap of 7 months of Rs178.43 Crores has been kept as Regulatory Asset, which is allowed to be recovered during FY22 and FY23. Accordingly, the Commission has considered 50% of the Regulatory Asset amount in the approved revised ARR and has allowed the same to be recovered in the retail supply tariff for FY22.

The Commission while carrying out the Annual Performance Review of GESCOM for FY21, based on the actual revenue and expenditure earned/incurred as per the audited accounts has arrived the net Revenue Deficit of Rs.358.25 Crores for FY21. As the Regulatory Assets of Rs.178.43 Crores created by the Commission in the Tariff Order dated 4th November,2020 was allowed in the approved revised ARR and allowed to be recovered in the revised Retail Supply Tariff for FY22 and to be allowed even for FY23, the question of carry forward of the same amount of the Regulatory Assets once again to the approved ARR and recovery in Retail Supply Tariff for FY23 does not arise. Hence, the Commission after accounting the Regulatory Assets amount of Rs.178.43 Crores to be recovered during FY22 and FY23, the remaining gap that has to be allowed for recovery will be Rs.179.82 Crores for FY21. Thus, the Commission decides to carry forward the net revenue gap of Rs.179.82 Crores of FY21 to the ARR for FY23 as discussed in the subsequent Chapter of this Order.

CHAPTER – 5

ANNUAL REVENUE REQUIREMENT FOR FY23-25

5.0 Annual Revenue Requirement (ARR) for FY23-25:

GESCOM in its application dated 30th November, 2021, has sought approval of the Commission for the ARR for the sixth control period for FY23-25 and revision of Retail Supply Tariff for FY23. The summary of the proposed ARR of FY23-25 is as follows:

TABLE – 5.1

Proposed ARR for FY23-25

Amount in Rs. Crores

Particulars	FY 23	FY 24	FY 25
Energy at Energy at Generating Bus- in MU	8899.01	9233.60	9592.52
Transmission Losses in %	2.978%	2.978%	2.978%
Energy at Interface in MU	8634.00	8958.62	9306.86
Distribution Losses in %	10.70%	10.65%	10.60%
Sales in MU:			
Sales to other than IP & BJ/KJ	4242.74	4457.23	4687.06
Sales to BJ/KJ	256.61	256.61	256.61
Sales to IP	3210.81	3290.69	3376.66
Total Sales	**7710.16**	**8004.53**	**8320.33**
Revenue at existing tariff and Misc. Charges:			
Revenue from tariff and Misc. Charges	3707.02	3879.24	4064.26
Tariff Subsidy to BJ/KJ	198.62	198.62	198.62
Tariff Subsidy to IP	2048.50	2099.46	2154.31
Total Existing Revenue including Miscellaneous Revenue	**5954.14**	**6177.32**	**6417.19**
Expenditure :			
Power Purchase Cost	4282.95	4432.34	4557.32
Transmission charges of KPTCL	510.59	529.790	550.38
SLDC Charges	4.29	4.45	4.63
Power Purchase Cost including cost of transmission	**4797.83**	**4966.58**	**5112.33**
Employee Cost	695.22	772.34	829.16
Repairs & Maintenance	60.95	64.75	68.18
Admin & General Expenses	149.08	158.33	166.71
Total O&M Expenses	**905.25**	**995.42**	**1064.05**
Depreciation	225.21	243.77	261.12
Interest & Finance charges			
Interest on Capital Loans	248.13	242.40	224.21
Interest on Working capital loans	124.82	130.34	135.95
Interest on belated payment on PP Cost	0.00	0.00	0.00

Particulars	FY 23	FY 24	FY 25
Interest on consumer security deposits	36.19	42.70	46.18
Other Interest & Finance charges	0.00	0.00	0.00
Less: interest & other expenses capitalized	-5.17	-5.43	-5.70
Total Interest & Finance charges	**403.97**	**410.01**	**400.64**
Other Debits	86.35	90.67	95.20
Net Prior Period Debit/Credit	0.00	0.00	0.00
Return on Equity	0.00	0.00	0.00
Funds towards Consumer Relations/Consumer Education	0.00	0.00	0.00
Regulatory assets as per Tariff Order dated 04.11.2020	99.92	0.00	0.00
Carrying Cost	140.39	0.00	0.00
Less: Other Income	-57.74	**-59.26**	-60.83
ARR	**6601.18**	**6647.19**	**6872.51**
Deficit for FY21 carried forward	-1169.90	0.00	0.00
Net ARR	**7771.08**	**6647.19**	**6872.51**
Net Deficit	**-1816.94**	**-469.87**	**-455.32**

GESCOM has requested the Commission to approve the Annual Revenue Requirement of Rs.7771.08 Crores for FY23 including deficit of Rs.1169.90 Crores for FY21 and Rs.6647.19 Crores for FY24 and Rs.6872.51 Crores for FY25.

Considering the estimated revenue of Rs.5954.14 Crores from sale of power to the consumers, at the existing retail supply tariff, including the miscellaneous revenue, GESCOM has projected a revenue gap of Rs.1816.94 Crores for FY23. In order to bridge the revenue gap of Rs.1816.94 Crores for FY23, the GESCOM has proposed the average increase in retail supply tariff by 236 paise per unit in respect of all the category of consumers, including BJ/KJ and IP set consumers for FY23.

5.1 Annual Performance Review for FY21 & FY22:

As discussed in the preceding chapter of this Order, the Commission has carried out the Annual Performance Review for FY21 based on the audited accounts and other relevant records furnished by GESCOM. Accordingly, a deficit of Rs.179.82 Crores of FY21 is required to be carried forward to the ARR of FY23.

As regards APR for FY22, it is noted that the audited accounts for FY22 are yet to be finalized, hence, the Commission decides to take up the APR of FY21, while taking up the revision of ARR / Retail Tariff, if any, for FY24.

5.2 Annual Revenue Requirement for FY23-25:

5.2.1 Capital Investments for FY23-25:

GESCOM Proposal:

GESCOM has proposed the Capex of Rs.791.45 Crores, Rs.782.22 Crores and Rs.765.27 Crores for FY23, FY24 and FY25 respectively for the control period, under MYT regime. The total capex proposed for the control period is Rs.2338.94 Crores. The details of capex proposed under various heads for FY23 to FY25 are shown below:

TABLE - 5.2

GESCOM's Proposed Capex for FY23-25

Amount in Rs. Crores

<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>FY23</th><th>FY24</th><th>FY25</th></tr>
<tr><td>1</td><td>GKS-SC</td><td rowspan="9">92.35</td><td rowspan="9">92.10</td><td rowspan="9">91.90</td></tr>
<tr><td>2</td><td>GKS-ST</td></tr>
<tr><td>3</td><td>GKS-BC</td></tr>
<tr><td>4</td><td>GKS-Min</td></tr>
<tr><td>5</td><td>GKS-Vishwakarma</td></tr>
<tr><td>5(a)</td><td>GK Karnataka Uppar Abhivrudhi Nigam</td></tr>
<tr><td>5(b)</td><td>GK Ambigara Chowdayya Nigam</td></tr>
<tr><td>5(c)</td><td>GK Karnataka Adi Jamabava Abhivrudhi Nigam</td></tr>
<tr><td>5(d)</td><td>GK Karnataka Bhovi Abhivrudhi Nigam</td></tr>
<tr><td>6</td><td>Water Works.</td><td>14.35</td><td>13.90</td><td>13.80</td></tr>
<tr><td>7</td><td>25 kVA Additional DTCs.</td><td rowspan="4">25.40</td><td rowspan="4">24.50</td><td rowspan="4">24.20</td></tr>
<tr><td>8</td><td>63 kVA Additional DTCs.</td></tr>
<tr><td>9</td><td>100 kVA Additional DTCs.</td></tr>
<tr><td>10</td><td>250KVA Additional DTCs.</td></tr>
<tr><td>11</td><td>25kVA to 63kVA DTC Enhancement.</td><td rowspan="3">11.02</td><td rowspan="3">10.90</td><td rowspan="3">10.50</td></tr>
<tr><td>12</td><td>63kVA to 100kVA DTC Enhancement.</td></tr>
<tr><td>13</td><td>100KVA to 250KVA DTC Enhancement.</td></tr>
<tr><td>14</td><td>Shifting of existing DTC to load centre.</td><td>2.70</td><td>2.50</td><td>2.45</td></tr>
</table>

15	LT Line Conversion of 1 Ph2 wire or 1 Ph3 wire to 3Ph 5 Wire (Including providing ABC,UG cable etc.)	5.05	4.95	4.91
16	Providing SMC Box to DTCs.	3.04	2.95	2.90
17	Replacement of Damaged poles	18.04	17.75	17.71
18	Energisation of IP Sets under General category	5.65	5.35	5.31
19	Energisation of IP Sets under General category (Shigra Samparka Yojane)	8.60	8.31	8.25
20	Service Connection works other than IP/BJ/KJ/Water works.	13.06	12.95	12.86
21	Sub Stations.	67.43	64.05	63.96
22	Stations Augmentation			
23	Providing 33kV new link Lines for bifurcation load and Express Feeder			
24	Providing 11kV new link Lines for bifurcation load and Express Feeder	26.90	25.40	25.20
25	Nirantara Jyoti Yojana	0.00	0.00	0.00
26	RAPDRP Part-A	0.00	0.00	0.00
27	RAPDRP Part-B	0.00	0.00	0.00
28	Un Authorized IP Sets	50.12	50.05	50.00
29	Providing meters to IP Sets above 10 HP	0.50	0.50	0.45
30	Providing meters to BJ/KJ	2.22	2.20	2.15
31	Providing meters to Street Lights and Water Supply.	2.27	2.27	2.26
32	Replacement of Faulty / MNR energy meters other than BJ/KJ/ Street Light.	2.15	2.15	2.11
33	Replacement of EM meters by Static meters	2.17	2.17	2.16
34	DTC Metering of RAPDRP	00.0	0.00	0.00
35	DTC Metering of non RAPDRP	8.52	8.40	8.20
36	Replacement of 33kV Line Rabbit Conductor by Coyote Conductor	4.94	4.80	4.50
37	11kV Re-Conductoring	15.06	14.90	14.70
38	LT Re-Conductoring			
39	IT Initiatives, Automation and Call Centres	31.45	31.20	31.00
40	Establishing ALDC & SCADA	0.00	0.00	0.00
41	Distribution Automation System (DAS)	0.00	0.00	0.00
42	DSM	0.25	25.00	0.25
43	Replacement of failed Distribution Transformers by New Transformer by Scraping failed Transformer which is beyond Repair.	11.20	11.20	11.05
44	Replacement of Power Transformers	5.18	5.15	5.10
45	Replacement of Old and failed equipment's and other works of existing 33kV Stations & Lines.	24.52	24.25	24.20
46	Preventive measures to reduce the accidents (Providing intermediate	22.18	22.10	22.05

	poles, Re-stringing of sagging lines, providing guy and stud, guarding, shifting of lines, fencing of DTCs)			
47	Safety Materials	1.82	1.72	1.62
48	Civil works	25.05	25.00	24.80
49	SCP/TSP	10.15	10.10	9.95
50	SDP works	18.15	17.85	17.65
51	DDUGJY	0.00	0.00	0.00
52	IPDS	0.00	0.00	0.00
53	HT Conductor by 11KV AB Cable	4.38	4.35	4.30
54	T&P Materials (Furniture)	1.00	1.00	1.00
55	T & P materials (Computer and Printers)	1.49	1.40	1.35
56	Shifting of meter from I to O	3.46	3.40	3.35
57	RDSS	0.00	0.00	0.00
58	Soubhagya scheme	0.00	0.00	0.00
59	CWIP- Capital Expenditure booked for restoration of infrastructure in flood affected areas.	230.57	230.20	230.15
60	Solar Roof Top of existing GESCOM buildings and substations under 13th Finance Commission.	12.05	12.00	0.00
61	Revamped Distribution Sector Scheme (Work involves Distribution Infrastructure works, Loss Reduction works & Metering works)	7.00	8.00	7.00
	Total	791.45	782.22	765.27

1. **Preliminary observation and replies of GESCOM:**

   a. GESCOM has proposed the Capex of Rs.791.45 Crores, Rs.782.22 Crores and Rs.765.27 Crores for FY23, FY24 and FY25 respectively for the control period, under MYT regime. The total capex proposed for the control period is Rs.2338.94 Crores. The Commission notes that the proposed capex for the control period as per the tariff filing, is not in line with capex proposed under perspective plan. This shows that GESCOM is not planning its capex properly. These proposals are not backed up with proper data to justify the huge capex. No specific strategy / plan is set to improve the techno commercial efficiency of the GESCOM by considering reform parameters to cover grey areas, to ensure reliable power supply to increase operational performance, which in-turn gives the real benefits to the consumers, are not furnished and no proper justification is given for taking up each category of works is furnished.

In reply, GESCOM has submitted the revised capex proposal of Rs.791.45 Crores, Rs.1318.27 Crores and Rs.1632.28 Crores for FY23, FY24 and FY25 respectively. Further, GESCOM has stated that when the MYT application was filed, GECOM was not allocated with funds under RDSS. Now GESCOM has been allocated a sum of Rs.1519.02 Crores for RDSS from MoP/GoI for loss reduction and modernization works. Out of this amount, 60% grants will be released by MoP and 40% is to be met out of own funding of GESCOM. Further out of the allocated amount, Rs.789.59 Crores is earmarked for loss reduction measures and Rs.729.43 Crores towards Modernization works. Apart from this GESCOM is also instructed to take up the work of consumer metering, DTC metering and feeder metering for which GESCOM has proposed a sum of Rs.833 Crores. For metering work 15% grants will be given by MoP/GoI and balance 85% is to be borne by GESCOM. This work is to be taken under TOTEX model.

In view of the above GESCOM has requested the Commission to consider the reconciled/revised capex for control period of FY23, FY24 and FY25.

GESCOM shall take a note that it cannot submit revised proposals while furnishing replies to the preliminary observations. GESCOM shall submit only additional information which is sought by the Commission. In view of this Commission is unable to consider the revised capex proposal.

b. In preliminary observations, GESCOM was directed to provide necessary justification on each of the works in terms of its purpose, requirement, physical progress, cost and timelines of completion along with Division-wise abstract of works, no. of works proposed to be taken in each of the year for the Control Period.

The Commission takes note of the replies submitted by GESCOM. GESCOM has not furnished the physical progress, timelines of completion, division wise abstract. Reply submitted by GESCOM is not satisfactory.

c. The Commission notes the reply submitted by GESCOM in respect of Division-wise abstract of number of beneficiaries and works pertaining to creation of infrastructure to UAIP, wherein, it is stated that as at the end of November-21 there are 7246 number of UAIP beneficiaries pending creation of infrastructure. Hence, it is proposed to create infrastructure for 3000 UAIP beneficiaries, 3000 UAIP beneficiaries and 1246 UAIP beneficiaries for FY23, FY24 and FY25 respectively.

The capex incurred on these works will be reviewed by the Commission in the truing up of APR-ARR of respective years.

d. In the preliminary observations, GESCOM was directed to submit the Division-wise, work-wise abstract pertaining to preventive measures to reduce the accidents for proposed capex of Rs.22.18 Crores, Rs.22.10 Crores and Rs.22.05 Crores for the control period and GESCOM was also required to furnish the progress achieved in terms of reduction in accidents in comparison with previous control period till date.

e. In reply, GESCOM has submitted the Division-wise, work-wise abstract pertaining to preventive measures to reduce the accidents for proposed capex of Rs.22.18 Crores, Rs.22.10 Crores and Rs.22.05 Crores for the control period. In the said replies, GESCOM has stated that it has taken various works to ensure safety to human life and property as well as safety of animals. More emphasis is being given for rectification of Hazardous Locations in and around Schools, Colleges and hostels and other public places and it has planned to carry out 2465 number of works, 2402 number of works and 2346 number of works for FY23 to FY25 respectively.

Details of Electrical accidents in GESCOM for FY20 to FY22 (up to Nov-21) is as under:

Particulars		FY20	FY21	FY22 (up to November 21)
Total No .of accidents reported during the period	Human	205	192	145
	Animal	216	275	209
	Total	421	467	354

From the above details, the Commission notes that the number of accidents has increased instead of showing a reducing trend, even after incurring considerable amount of capex. The progress achieved by GESCOM is not satisfactory.

f. The Commission notes the reply submitted by the GESCOM in respect of details of works to be carried out under replacement of HT conductor by of 11KV AB cable. GESCOM has stated that the amount will be utilized for rectification of hazardous location to ensure safety of public life and property in Bellary City.

g. GESCOM has not furnished analysis of the tariff impact on consumers for the proposed capex to be met from borrowing.

h. In the preliminary observations, GESCOM was directed to submit reasons for indicating the revised Capex for FY22 in its filing. GESCOM was directed to incur the capex within the approved capex for FY22. Further, Commission had informed that the capex for FY22 would be examined during the truing up of APR for FY22.

In reply, GESCOM has submitted that it will restrict the expenditure within approved Capex for FY22.

Commission's Analysis and Decision:

The Commission has examined the GESCOM's capex proposals and the expected capital expenditure proposed to be incurred for the control period

FY23 to FY25. In light of the preliminary observations and the replies thereon, the Commission concludes that GESCOM has not justified the proposed capex in terms of its purpose, requirement, benefits in terms of reduction in losses, increase in revenue sales, impact on tariffs etc.

The Commission notes that GOI has launched the RDS Scheme to improve the reliability and quality of power of supply, operational efficiencies and financial sustainability of the ESCOMs. In view of this, the Commission directs GESCOM to take up only result oriented prudent projects, which have already yielded real benefits to consumers. Keeping in view of technical constraints i.e. network issues, adaption of new technologies in large scale and its challenges, GESCOM shall wisely select the projects to be taken up under the scheme.

From the previous achievements of GESCOM, it can be noted that investments in schemes like RLMS, DTC metering works etc. have not yielded the desired benefits and as such have become stranded assets.

Further, on review of Energy Audit of DTC metering works for the month of April 2021 to June 2021, it is noticed that only 41% to 43% Energy Audit has been done out of metered DTCs. Even in cases where the losses are found to be high, the details of remedial action taken by GESCOM are not furnished.

The Commission would like to inform GESCOM that the for implementing the Smart Meters (AMI) on a large scale, there are several challenges like network issues, integration of MDMS software, existing data migration, constraints in procurement of smart meters in large scale, geographical constraints, consumer data privacy, Consumer engagement and participation etc. These challenges are yet to be addressed in the projects where the smart metering has been taken up. The project could only be implemented only after successful completion of pilot projects in one or two sub-divisions. **In view of these issues complete rollout of smart metering was not approved in BESCOM jurisdiction.**

GESCOM shall note that any investments to be made under Smart Grid works shall be in accordance with Smart Grid Regulations, 2015. **Hence, the Commission directs GESCOM not to violate the said Regulations. Otherwise, the Commission will be constrained to take appropriate action as may be deemed necessary against GESCOM for violation of its Regulations.**

In view of the above observations, the Commission directs GESCOM to ensure that the investments made under any of the schemes, i.e. funding through grants, internal resources or through capital borrowings, should not become wasteful/futile expenditure, resulting in creation of stranded assets.

The GESCOM's previous years' achievement of capex is shown in the table below:

TABLE – 5.3
Approved and Actual Capex incurred

Amount in Rs. Crores

Particulars	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Capital investment filed	515.00	545.81	1810.00	698.00	911.15	1032.75	733.23
Capital investment approved by the Commission	515.00	376.00	500.00	698.00	846.00	700.00	733.23
Actual capital investment incurred as per audited accounts *	330.28	299.70	437.77	304.75	691.57	546.71	404.76
Percentage of actual capital investment to the approved capital investment	**64.13%**	**79.71%**	**87.55%**	**43.66%**	**81.75%**	**78.21%**	**55.20%**
***without considering capital investment disallowed under prudence check**							

It is seen from the above Table that GESCOM has never achieved the target for capex during any of the last seven years.

The Commission notes that, as against the proposed capex of Rs.791.45 Crores, Rs.782.22 Crores and Rs.765.28 Crores, GESCOM has estimated the expected capital expenditure of Rs.634.57 Crores, Rs.632.86 Crores and Rs.620.04 Crores respectively for FY23 to FY25.

Based on the previous years' achievements and the projected works to be undertaken as per the GoI/ GoK schemes, to be partly met by the capital grants and the available internal resources, the Commission decides to approve and reckon the capex of Rs.500.00 Crores for the purpose of approval of ARR for each of the year from FY23 to FY25, subject to prudence check, Considering GESCOM's projected availability of capital grants from GoI / GoK, consumer contribution and internal resources by GESCOM, for the execution of capex, the Commission considers Rs.350 Crores for the purpose of ARR, as capital borrowings for each of the year FY23 to FY25, subject to the following:

i. The Commission directs GESCOM not to exceed the approved capex and carryout the capital works without seeking any additional capex during the middle of the year. If there is any excess expenditure in any head of expenditure, the same shall be met from the savings in any other head of expenditure within the capex approved by the Commission. The capex approved by the Commission to carryout the Central / State scheme works shall not be re-appropriated to any other category of capital expenditure head.

ii. While prioritizing the works, GESCOM shall take up such work which relate to system improvement, to enable quality and reliable power to the consumers besides ensuring reduction of distribution losses in order to reduce the burden of losses to the consumers.

iii. GESCOM is directed to maintain the physical progress as well as financial progress in respect of the works carried out under Capex, indicating timelines of completion, cost to benefit ratio, etc. These details shall be furnished to the Commission as and when Commission directs.

iv. The Commission also directs MESCOM to take concrete measures to complete and capitalize the works in the prescribed time schedule, so that, its benefits are being passed on to the consumers effectively and capitalize the works proposed as far as possible during each financial year.

v. The Commission directs the GESCOM to put in its sincere efforts towards achieving the following objectives, of the proposed schemes:

1. Reducing distribution losses,
2. Reducing the HT:LT Ratio
3. Reduce Transformer failures
4. Segregate the loads in the feeders.
5. Reduce Power theft
6. Bring programs for the awareness among the people on usage and conservation of energy.
7. Improve the sales to metered category and
8. Improve the Power factor of the IP set loads by installing switched capacitors of suitable capacity to the secondary of the transformers.

5.2.2 Category-wise Sales for FY23 to FY25:

A. Sales other than IP Sets:

i. Category-wise estimation of number of installations and sales by GESCOM for the control period:

GESCOM in its filing for the control period FY23 to FY25 has estimated number of installations and energy sales as indicated below:

Year	No. of Installations	Sales-MU
FY23	3563136	7710.13
FY24	3671674	8004.53
FY25	3784238	8320.34

ii) GESCOM's approach to estimating number of installations and sales for FY23-FY25:

a. No. of Installations: GESCOM in their filing has submitted that they have analyzed the growth rate during the period FY16 to FY21 and wherever there is abnormal growth, GESCOM has estimated the number of installations considering the growth in the first half of FY22.

b. Energy Sales: GESCOM has stated that the consumption of FY21 is divided by midyear installation of FY20 for arriving average consumption for FY22 and the same average consumption is multiplied with number of installations of FY22 (mid-year) installation to arrive sales for the year FY22. The same approach is followed up for each year. i.e., the same average is multiplied with each mid-year to arrive at sales for FY23 to FY25.

iii) The Commission's observation on sales estimate, replies furnished by GESCOM and the views of the Commission thereon are discussed in the following paragraphs:

a. GESCOM in their filing at Table-83, page-215 & 216, has submitted the growth rate considered for estimating the number of installations. However, GESCOM has not furnished how this growth rate is arrived at. GESCOM shall clarify as to whether they have considered 3-year or 5-year CAGR or previous year growth. GESCOM shall furnish the working sheet(soft-copy) for the same.

GESCOM's Reply:

GESCOM has submitted that, it has considered 5-year CAGR and has furnished the details.

The Commission notes that for each of the categories, the CAGR is varying from the year FY22 to FY25. If CAGR of 5-year had been adopted, the percentage growth should have been the same for all the years of the control period. Hence, the reply of GESCOM is not satisfactory.

The Commission directs GESCOM to follow as far as possible, the CAGR approach while estimating sales.

b. At page 217, for LT-2b, the number of installations is indicated as 65374 for FY22, 69052 for FY23, 71702 for FY24 & 73687 for FY25, against addition of 147 to 388 installations/year as stated by GESCOM. This shall be rectified.

GESCOM's Reply:

Furnishing the details, GESCOM has requested the Commission to consider the number of installation for LT2b category as 5611 for FY22, 5945 for FY23, 6285 for FY24 and 6640 for FY25.

c. For estimating LT-3, LT-4b, LT-4c, LT-5, LT-6a, HT-2a, HT-2b and HT-5 installations, GESCOM has considered the additions considering incremental addition of installations during first half of FY22. Since there would be additions during the second-half of the year also, the number of installations in this categories are under estimated. GESCOM may consider revising the same.

GESCOM's Reply:

GESCOM has submitted that it has considered yearly addition / growth to project the category-wise installations.

d. Regarding the estimates of energy sales, GESCOM has stated that it has worked out specific consumption for each category considering FY21 sales and FY20 mid-year installations. The Commission notes that to arrive at specific consumption for FY21, the mid-year installations of FY21 alone has to be considered. GESCOM shall rectify the same. GESCOM shall furnish the working sheet (soft-copy) of the same. Further, for all categories estimates cannot be done on specific consumption, especially for HT categories and LT commercial & Industries. GESCOM may consider CAGR for these categories.

GESCOM's Reply:

GESCOM has submitted that it has worked out the average consumption considering the year-end sales of FY21 and the mid-year installation of FY21, to estimate the sales for each of the financial years FY23 to FY25.

Further, it is submitted that GESCOM has considered 10% addition to the revised estimates of FY22 for estimating HT sales for the control period. Also, in FY20 and FY21 HT industrial and commercial consumption had reduced due to COVID-19. Therefore, GESCOM has considered average consumption method.

e. The Commission had observed that growth rate considered for number of installations for LT-2a, LT-3 LT-6WS & SL and HT-2a is lower as compared with the CAGR. GESCOM may reconsider revising its estimates for these categories.

GESCOM's Reply:

GESCOM has submitted that in case of LT2 and LT3 category, it has considered normal growth rate, as scheme like Soubhagya etc., is closed. In case of LT6 category it is submitted that during FY19 to FY21, unauthorized installations were regularized resulting in higher CAGR. Therefore, for the control period normal growth is considered.

f. The Commission had noted that the CAGR as well as FY21 growth rate for energy sales in most of the categories is negative or lower, due to reduction in sales during FY21 on account of Covid-19. Thus, comparing with FY20 growth rate, the Commission observations are as follows:

a. Growth rate is lower for LT-2a, LT-3 & LT-6WS and
b. Growth rate is higher for LT-5, LT-6 SL & all HT categories.

GESCOM's Reply:

GESCOM has submitted that it has not considered CAGR for estimating energy sales and has considered average consumption / installation for estimating the sales for the control period.

g. To validate the sales, the Commission had directed GESCOM to furnish category-wise information in the specified format.

GESCOM's Reply:

GESCOM has furnished the above information.

Commission's Approach:

The Commission notes that adopting average consumption for estimating energy sales to HT categories and LT commercial & Industries, may not provide reasonable estimates. Thus, the Commission directs GESCOM to adopt CAGR method, as far as possible, while estimating category-wise sales. The approach of the Commission in estimating the number of installations and energy sales is discussed in the following paragraphs:

1) No. of Installations:

While estimating the number of installations (excluding BJ/KJ and IP) for FY23, the following approach is generally adopted:

a. The Commission has validated both the number of installations and energy sales to various categories considering the actuals as on 30th November, 2021 and has estimated the number of installations and sales for the remaining period reasonably. Accordingly, the base year estimation has been revised which has an impact on the estimates on the number of installations and sales for the FY23.

b. Wherever the number of installations estimated by the GESCOM for the FY23 is within the range of the estimates based on the CAGR for the period FY16 to FY21 and for the period FY18 to FY21, the estimates of the GESCOM are retained.

c. Wherever the number of installations estimated by the GESCOM for the FY23 is lower than the estimates based on the CAGRs for the period FY16 to FY21 and for the period FY18 to FY21, the estimates based on the lower of the CAGRs for the period FY16 to FY21 and for the period FY18 to FY21are considered.

d. Wherever the number of installations estimated by GESCOM for the FY23 is higher than the estimates based on the CAGRs for the period FY16 to FY21 and for the period FY18 to FY21, the estimates based on the higher of the CAGRs for the period FY16 to FY21 and for the period FY18 to FY21 are considered.

e. For LT-7 and HT-5 categories, the number of installations as estimated by GESCOM is retained.

For the years FY24 and FY25, the number of Installations are estimated based on the growth rate considered for FY23, except for LT-7 & HT-5. For LT-7 & HT-5, estimates of GESCOM are retained. For BJ/KJ, the number of installations as on 31.09.2021 is retained.

Based on the above approach, the total number of installations (excluding BJ/KJ consuming ≤ 40 units/month and IP installations) estimated by the Commission for FY23 to FY25 is indicated in the table below:

Approved Number of Installations

FY23		FY24		FY25	
As Filed	Approved	As Filed	Approved	As Filed	Approved
2542676	2570496	2640368	2701703	2741296	2839745

2) **Energy Sales:**

(i) For categories other than BJ/KJ and IP sets, generally the sales are being estimated, considering the following approach for FY23:

a. The base year sale for FY22 as estimated by the GESCOM has been validated, duly considering the actual sale upto November, 2021 and modified suitably as stated earlier.

b. Wherever the sale estimated by the GESCOM, for the for FY23, is within the range of the estimates based on the CAGR for the FY16 to FY21 and for the period FY18 to FY21, the estimates of the GESCOM are considered.

c. Wherever the sales estimated by the GESCOM for the FY23 is lower than the estimates based on the CAGRs for the period FY16 to FY21 and for the period FY18 to FY21, the estimates based on the lower of the CAGRs for the period FY16 to FY21 and for the period FY18 to FY21 are considered.

d. Wherever sale estimated by GESCOM for FY23 is higher than the estimates based on the CAGRs for the FY16 to FY21 and for the period FY18 to FY21, the estimates based on the higher CAGRs for the period FY16 to FY21 and for the period FY18 to FY21 are considered.

e. For LT-2b, LT-6 Public lighting and HT-2b, the sales are estimated based on FY20 specific consumption.

f. For LT-7 & HT-5 estimates of GESCOM is retained.

g. For the years FY24 and FY25, the sales are estimated based on the growth rate considered for FY23, except for LT-1, LT-7 & HT-5 categories. For LT-7 & HT-5 categories estimate of GESCOM are retained. For LT-1, sales are retained at FY23 level.

Based on the above approach, the sales (excluding BJ/KJ consuming ≤ 40 units/month and IP sales) estimated by the Commission, for FY23 to FY25, is indicated in the following table:

Approved Energy Sales

In Million Units

FY23		FY24		FY25	
As Filed	Approved	As Filed	Approved	As Filed	Approved
4249.03	4299.01	4463.67	4527.94	4693.65	4777.87

(ii) Sales to BJ/KJ:

The break-up of sales to BJ/KJ installations considered for FY21 is as indicated below:

Particulars	No. of Installations	Consumption in MU	Specific consumption per installation per month (kWh)
Installations consuming less than or equal to 40 units	589907	250.36	35.37
Installations consuming more than 40 units and billed under LT2(a)	7768	6.25	67.05

The Commission notes that, the specific consumption works out to 35.37 units /installation/month for BJ/KJ installations consuming less than or equal to 40 units per month and 67.05 units /installation/month for BJ/KJ installations consuming more than 40 units per month.

The specific consumption of 67.05 units /installation/month for BJ/KJ installations consuming more than 40 units per month is higher than the specific consumption of LT-2a category for FY21 at 57.71 units/month. The Commission notes that the number of installations and consumption of BJ/KJ installations consuming more than 40 units/month varies from month to month. Therefore, considering the overall consumption and year-end installations, the specific consumption would be higher. Thus for BJ/KJ installations consuming more than 40 units per month, the Commission has considered 57.71 units/month/installation as the specific consumption.

The Commission has considered the number of installations as on 30.11.2021, as there is no specific GoK policy to extend the benefit to new beneficiaries under the scheme. Considering the specific consumption as indicated above, the sales approved for the control period are as indicated in the following Table:

Million Units

Particulars	FY23		FY24		FY25	
	No. of Installations	Sales-MU	No. of Installations	Sales-MU	No. of Installations	Sales-MU
Installations consuming less than or equal to 40 units	588551	249.77	588551	249.77	588551	249.77
Installations consuming more than 40 units and billed under LT2(a)	9124	6.32	9124	6.32	9124	6.32

B. Sales to IP sets – projections for ARR FY23 to FY25;

GESCOM Proposal:

1) GESCOM, in its tariff application, has projected sales to IP set installations for FY23 to FY25 as follows:

Sl. No		FY23	FY24	FY25
1	No. of installations	4,31,453	4,42,473	4,54,287
2	Sales in MU	3,210.81	3,290.69	3,376.66

2) GESCOM, as per D-2 Format, has reported actual consumption of 3,041.47 MU against 4,07,519 number of IP set installations for FY21. GESCOM, in its tariff filing has informed that, huge number of IP installations are added during FY19 due to regularization of un-authorized installations. Large variation in respect of addition of IP installations is observed when the data of addition in the previous years are considered. Large growth rates can be seen if CAGR method of computations are adopted. Hence, GESCOM has considered the nominal growth during FY17 to FY21 for projecting number of IP installations for FY22 and FY23 to FY25. GESCOM has informed that it has considered the possible addition of IP installations in various Ganga Kalyana and general schemes. GESCOM has considered an addition of 14,102 number of IP installations for FY22. With the addition of 9,832 for FY23, addition of 11,020 for FY24, and an addition of 11,814 number of IP installations for FY25, it has projected 4,31,453, 4,42,473 and 4,54,287 no. of installations for FY23-25 respectively.

3) GESCOM has informed that it has considered the specific consumption of 7,510.02 units per IP per annum as approved by the Commission in the Tariff Order 2021 and with the number of IP installations projected as above, the energy sales are estimated as 3,210.81MU for FY23, 3,290.69 MU for FY24 and 3,376.66 MU for FY25.

Commission's Analysis and Decision:

a. While verifying the computations of IP set, it is found that, the actual sales to IP set installations for FY21 works out to 3,041.47 MU (as detailed in Chapter-4 Sales portion). Based on the actual sales to IP sets, the Commission has arrived at the specific consumption as 7,536.36 units per installation per annum for the FY21, by considering the mid-year installations of 4,03,573 numbers.

b. Considering the data of previous five years, the Commission has found an average addition of 11,000 number of IP installations every year excluding the years where regularization drive was carried out. GESCOM has not mentioned the methodology adopted for projection of number of IP installations. As per the submissions made by GESCOM, it is observed that, GESCOM has considered an addition of 14,102 number of IP installations for FY22 projecting the total no. at 4,21,621, addition of 9,832 for FY23, addition of 11,020 for FY24, and an addition of 11,814 number of IP installations for FY25, to arrive at the total no. of installations at 4,31,453, 4,42,473 and 4,54,287 respectively. Even though the proposal of GESCOM is found reasonable, the Commission considers that an addition of 10,000 number of installations uniformly for FY22 and FY23 to FY25 would be reasonable. Thus, the number of installations for FY22 is 4,17,519 (407519 + 10000), for FY23 is 4,27,519 (417519 + 10000), for FY24 is 4,37,519 (427519 + 10000) and for FY25 is 4,47,519 (437519 + 10000).

c. The actual sales to IP sets for FY21, till September 2021, as reported by GESCOM, in its replies to preliminary observations for tariff filing is 1,745.23 MU against 4,11,741 number of IP installations. Now by considering the specific consumption of 7510.02 units per IP set per annum as approved by the Commission and as per the number of IP installations projected as detailed in para (b) sales to FY22 is estimated. The same specific consumption of 7,510.02 units per IP set per annum is considered for projection sales for FY23 to FY25. The Commission has decided to the consider the data of actual sales to IP sets for FY22, till September 2021 as furnished by GESCOM in its replies to preliminary observations, provisionally for estimating the sales for FY22 and FY25 to FY25.

Projected Sales for FY22:

Mid-year No of installations = (417519 + 407519) / 2 = 412519

Actual Specific Consumption for FY22 = 7510.02 units per IP set per month as approved in the Tariff Order 2021.

Total Consumption for FY22 = 412519 x 7510.02 = 3098.03 MU

d. Based on the estimated number of installations and consumption for FY22 and by considering the approved specific consumption for FY22 in the Tariff Order 2021, the details of energy sales projections to IP set consumers for FY23 to FY25, are as indicated below;

Particulars	FY23		FY24		FY25	
	As submitted by GESCOM in its Tariff Application	As approved by the Commission	As submitted by GESCOM in its Tariff Application	As approved by the Commission	As submitted by GESCOM in its Tariff Application	As approved by the Commission
No. of Installations	4,31,453	4,27,519	4,42,473	4,37,519	4,54,287	4,47,519
Mid-year number of Installations	4,26,537	4,22,519	4,36,963	4,32,519	4,48,380	4,42,519
Specific consumption in units/installation/annum	7,527.62	7,510.02	7,530.77	7,510.02	7,530.80	7,510.02
Sales in MU	**3,210.81**	**3,173.13**	**3,290.67**	**3,248.23**	**3,376.66**	**3,323.33**

e. **Accordingly, the Commission approves 3,173.13 MU, 3,248.23 MU and 3,323.33 MU as energy sales to IP-sets for FY23, FY24 and FY25 respectively as against the GESCOM's projections of 3,210.81 MU, 3,290.67 MU and 3,376.66 MU for the FY23, FY24 and FY25 respectively. The number of installations considered in approval of IP Sales are 4,27,519, 4,37,519, and 4,47,519 for FY23, FY24 and FY25 respectively.**

f. **This approved IP set consumption for FY23 to FY25 is with the assumption that the Government of Karnataka would release full subsidy to cover the approved quantum of IP-sales. However, if there is any reduction in the subsidy allocation by the GoK, the quantum of sales to IP sets of 10 HP and below, shall be proportionately regulated. The GESCOM shall therefore,**

regulate the number of hours of power supply to exclusive agricultural feeders accordingly.

g. The Commission notes that GESCOM has taken up GPS survey of IP-sets to identify the defunct / not in use / dried up installations in the field and to arrive at the correct number of IP-sets by deducting such defunct / not in use / dried up IP-set installations from its account, on the basis of GPS survey results. The Commission, in its preliminary observations had directed GESCOM to furnish the data of GPS as on 31.03.2020 and 31.03.2021 by reconciling survey data with the number of installations in the DCB. In its reply, GESCOM has submitted the data of GPS survey of IP installations as on 30.11.2021. As per the submissions made by GESCOM, the number of IP installations identified in GPS survey is found to be more (authorized and unauthorized) than the number of installations as in the DCB. GESCOM has not furnished the information of IP set installations as per GPS survey as desired by the Commission. Thus, the Commission observes that the data of GPS survey made available is incomplete, as well observes inconsistency in the GPS survey data furnished by GESCOM and hence the Commission is unable to accept the same.

h. In view of the fact that the data of GPS survey of IP-sets is incomplete, the number of installations reckoned for FY21 and estimates for FY23 to FY25 are subject to change based on the GPS survey results. Accordingly, after completion of the survey and finalization of the report, GESCOM shall furnish the correct number of IP set installations duly deducting the number of dried up / defunct IP sets from the total number. Thereafter, any variation in the sales due to change in the number of installations would be trued up during the Annual Performance Review for the FY22.

i. The feeder-wise, month-wise data of assessment of IP sets for the period from April 2021 to September 2021 as furnished by GESCOM, in its tariff filing, has been considered provisionally for the purpose of projecting the sales for FY22 and FY23 to FY25. The Commission would consider revising the same, based on the GPS survey data. **Hence, GESCOM is directed to submit the final survey**

Report within 3 (three) months from the date of this Order. The survey data should be reconciled with the DCB Statement data and thereafter report the total IP-set consumption to the Commission, month-on month regularly, as per the format prescribed in the previous tariff orders of the Commission.

Based on the above discussions, the category wise approved number of installations for the control period vis-à-vis the estimates made by the GESCOM is indicated below:

TABLE – 5.4
Category wise approved number of installations

Nos.

	Category	As proposed by GESCOM			As Approved by KERC		
		FY23	FY24	FY25	FY23	FY24	FY25
LT-1 (a)	Bhagya Jyoti < =40 units	589007	588833	588655	588551	588551	588551
LT-1 (a)	Bhagya Jyoti>40	8668	8842	9020	9124	9124	9124
LT-2a	Domestic AEH	2019973	2091675	2165361	2044988	2145331	2250598
LT-2b	Pvt. Institutions	5945	6285	6640	5960	6307	6675
LT-3	Commercial - Applicable to areas coming under VPs	326650	340779	355415	329366	347143	365879
LT-4 (a)	IP sets - Less than 10 HP - General	431453	442473	454287	427519	437519	447519
LT-4 (b)	Irrigation Pump sets - More than 10 HP	2355	2390	2431	2398	2491	2587
LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	652	695	745	652	690	730
LT-5	Lt Industries	76316	79594	83115	74792	77906	81149
LT-6	Water Supply	33439	36197	39029	34244	38148	42498
LT-6	Street Lights	16012	16376	16813	16385	17082	17809
LT-7	Temporary Power Supply	49029	53635	58537	49029	53635	58537
	LT Total	**3559499**	**3667774**	**3780048**	**3583008**	**3723928**	**3871657**
HT-1	HT Water Supply	190	204	219	190	202	215
HT-2 (a)	HT Industries	1984	2091	2207	1938	2063	2197
HT-2 (b)	HT Commercial	493	526	560	488	520	554
HT-2(c)		359	417	488	336	393	460
HT-3(a) & (b)	HT Irrigation & LI Societies	501	540	580	496	546	602
HT-4	Res. Apartments - Applicable to Mangalore Municipal Corporation Area	51	57	65	51	55	60
HT-5	Temporary	59	65	71	59	65	71
	HT Total	**3637**	**3900**	**4190**	**3558**	**3845**	**4158**

Grand Total		3563136	3671674	3784238	3586566	3727773	3875815
	Categories other than IP sets and BJ/KJ consuming less than or equal to 40 units/ month./installations.	2542676	2640368	2741296	2570496	2701703	2839745
	IP sets and BJ/KJ consuming less than or equal to 40 units/ month./installations.	1020460	1031306	1042942	1016070	1026070	1036070

Accordingly, the category wise approved sales for the control period vis-à-vis the estimates made by the GESCOM are indicated below:

TABLE – 5.5
Category wise approved Energy Sales

Million Units

	Category	As proposed by GESCOM			As Approved by KERC		
		FY23	FY24	FY25	FY23	FY24	FY25
LT-1 (a)	Bhagya Jyoti < =40 units	250.29	250.17	250.03	249.77	249.77	249.77
LT-1 (a)	Bhagya Jyoti>40	6.32	6.44	6.57	6.32	6.32	6.32
LT-2a	Domestic AEH	1395.71	1445.19	1496.29	1362.57	1449.72	1542.45
LT-2b	Pvt. Institutions	10.43	11.04	11.66	17.01	18.01	19.06
LT-3	Commercial - Applicable to areas coming under VPs	361.81	377.36	393.63	391.24	398.22	405.32
LT-4 (a)	IP sets - Less than 10 HP - General	3210.81	3290.69	3376.66	3173.13	3248.23	3323.33
LT-4 (b)	Irrigation Pump sets - More than 10 HP	3.35	3.40	3.45	3.38	3.45	3.52
LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	1.98	2.10	2.25	1.98	2.13	2.29
LT-5	Lt Industries	195.72	204.05	212.95	186.07	190.3	194.63
LT-6	Water Supply	493.13	535.07	578.03	503.92	581.13	670.18
LT-6	Street Lights	244.75	249.85	256.03	301.12	313.93	327.29
LT-7	Temporary Power Supply	27.38	30.02	32.8	27.38	30.02	32.8
	LT Total	**6201.68**	**6405.38**	**6620.35**	**6223.90**	**6491.24**	**6776.96**
HT-1	HT Water Supply	138.65	147.94	158.83	138.65	149.07	160.27
HT-2 (a)	HT Industries	1113.35	1171.91	1236.05	1089.69	1095.23	1100.8
HT-2 (b)	HT Commercial	65.71	69.89	74.49	80.82	86.1	91.72
HT-2(c)		36.52	42.42	49.47	36.52	39.93	43.66
HT-3(a) & (b)	HT Irrigation & LI Societies	118.15	127.42	137.11	117.23	126.4	136.28
HT-4	Res. Apartments - Applicable to Mangalore Municipal Corporation Area	17.5	19.24	21.60	16.53	17.64	18.84
HT-5	Temporary	18.57	20.33	22.44	18.57	20.33	22.44
HT Total		**1508.45**	**1599.15**	**1699.99**	**1498.01**	**1534.7**	**1574.01**
LT+HT Total		**7710.13**	**8004.53**	**8320.34**	**7721.91**	**8025.95**	**8350.97**
Additional sales		0	0	0	200.00	220.00	242.00

Grand Total		7710.13	8004.53	8320.34	7921.91	8245.95	8592.97
	*Categories other than IP sets and BJ/KJ consuming less than or equal to 40 units/ month./installations	4249.03	4463.67	4693.65	4299.01	4527.94	4777.87
	IP sets and BJ/KJ consuming less than or equal to 40 units/month./installations	3461.10	3540.86	3626.69	3422.90	3498.00	3573.10

**Excludes additional sales*

5.2.3 Distribution Losses for FY23-25:

GESCOM's Submission:

As per the audited accounts for FY21, the GESCOM has reported distribution loss of 11.72% as against an approved revised loss level of 11.00%, as discussed in the previous chapter. GESCOM in its filing has proposed to achieve the following loss levels during FY23-25.

Projected Distribution Loss-FY23-25 – GESCOM's Submission

Particulars	FY23	FY24	FY25
Projected Distribution Loss	10.70	10.65	10.60

Commission's Analysis and Decisions:

The performance of GESCOM in achieving the loss targets set by the Commission in the past nine years is as follows.

Particulars	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Approved Distribution losses in %	20.00	18.50	16.50	17.00	16.00	15.00	14.89	11.00	10.75
Actual Distribution losses in %	17.77	18.93	18.10	17.33	16.39	14.41	11.22	11.72	-

The Commission notes that, in FY21, the distribution loss has increased by 0.50 percentage point over the actual distribution losses of 11.22% for FY20. Overall, in the previous years (with base year as FY14), GESCOM has been able to achieve distribution loss reduction of 6.55 percentage points up to FY20 and 6.05 percentage points up to FY21.

The Commission notes that, GESCOM had proposed the Distribution loss of 10.70%, 10.65% and 10.60% for FY23 to FY25 respectively, when the approved target for FY22 itself is 10.75%. GESCOM in projecting the distribution losses for FY23 to FY25 has estimated a meager reduction of 0.05% for each year during FY23 to FY25. But GESCOM had failed in achieving the target loss for FY21 when it had a capacity to reduce loss of 3.19% in FY20.

The Commission, in its preliminary observation has directed GESCOM to revisit the targeted losses and propose a reasonable/justifiable distribution target, taking into consideration the capex plan proposed and to submit revised projected distribution losses for FY 23 to FY25. The reply submitted by GESCOM in this regard is not satisfactory. GESCOM has requested the Commission to approve the GESCOM's proposed losses for FY23 - FY25.

Since, the GESCOM had not achieved its targeted distribution losses for FY21, the Commission directs the GESCOM to achieve its targeted losses, in accordance with the directions issued by the Ministry of Power while according approval for various capital work schemes.

It is observed that, the Commission has been allowing capital expenditure incurred by the GESCOM and it has also allowed substantial capex for the ensuing control period for strengthening its distribution network aimed at further reduction of loss levels. Most of the capex spent on the works like E&I works such as providing Additional DTC's/Enhancement of DTC's, Strengthening of HT and LT Line, should enable the GESCOM, not only to strengthen its infrastructure for improved reliability and quality of power supply but also help to reduce the distribution loss considerably. Hence, in view of such substantial investment, the loss reduction proposed for the control period by GESCOM is meager, as compared to the current loss levels. In the light of the above discussion and based on the achievement made by the GESCOM in the reduction of losses during the previous years and the capex incurred so far, along with the proposed capex for FY23 - FY25, the Commission decides to fix the following distribution loss targets for FY23 - FY25:

Particulars	FY23	FY24	FY25
Upper Limit	10.75	10.50	10.25
Target (Average)	**10.50**	**10.25**	**10.00**
Lower Limit	10.25	10.00	9.75

5.2.4 Power Purchase for FY23-25:

Total Power purchase requirement of the ESCOMs:

The ESCOMs in their Tariff applications, have submitted the D-1 statement indicating the requirement of power purchase for the control period FY23-25. The consolidated statement showing the energy requirement, year-wise is shown hereunder:

TABLE - 5.6

Requirement of Energy as filed ESCOMs

ESCOMs	Energy (MU)	Energy (MU)	Energy (MU)
	FY23	FY24	FY25
BESCOM	33688.73	34579.58	35505. 05
MESCOM	6197.93	6421.66*	6648.40
CESC	7902.39	8067.25	8237.87
HESCOM	14718.62	15402.06	16137.35
GESCOM	8899.01	9233.60	9592.52

GESCOM's submission:

The GESCOM has submitted its power purchase requirement for the control period FY23-25 based on the projected sales as follows:

TABLE - 5.7

Energy Requirement as filed by GESCOM

Particulars	FY23	FY24	FY25
Projected Sales (MU)	7710.16	8004.53	8320.33
Distribution losses (%)	10.70	10.65	10.60
Energy at IF point (MU)	8634.00	8958.62	9306.86
Transmission Losses (%)	2.978	2.978	2.978
Energy Required to meet the sales of GESCOM (MU)	8899.01	9233.60	9592.52

5.2.5 Sources of Procurement of Power:

GESCOM's submission:

GESCOM has furnished the sources of power available to meet the energy, for the control period FY23-25. The details of the sources of procurement of Power and the basis for the energy availability is indicated below:

(i) From KPCL stations including RPCL energy is considered, as furnished by the Generating Company.

(ii) Availability of power from the Central Generating Stations (ex-Bus generation) is based on the details of LGBR in respect of CGS Generating Stations.

(iii) In respect of major IPPs (UPCL), RE and other sources such as Jurala Power & TB Dam Power, the availability is as per the contracted capacity, Energy actual supply during FY20-21 has been considered for FY23, FY24, FY25.

The Power Purchase requirement for FY 23 to FY25 as filed by GESCOM is shown in the following table.

TABLE - 5.8

Power Purchase requirement of GESCOM for FY23 to FY25

Sources	Financial Year FY 23			Financial Year FY 24			Financial Year FY 25		
	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost in Rs.	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost in Rs.	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost in Rs.
KPCL Hydel Energy	1793.59	191.94	1.07	1793.59	194.70	1.09	1793.59	184.31	1.03
KPCL Thermal Energy	1928.47	1129.42	5.86	2164.88	1198.12	5.53	2434.41	1270.32	5.22
CGS Energy	2484.97	1184.44	4.77	2484.97	1203.03	4.84	2484.97	1204.58	4.85
UPCL	-	69.31	-	-	69.31	-	-	69.31	-
Renewable Energy + Bundled Power	2970.86	1259.82	4.24	2970.86	1260.29	4.24	2970.86	1266.69	4.26
Other State Hydel	28.41	7.59	2.67	28.41	7.78	2.74	28.41	7.97	2.81
PGCIL & POSOCO Charges	-	289.17	-	-	296.39	-	-	303.61	-
KPTCL Transmission, SLDC Charges	-	804.05	-	-	830.63	-	-	858.62	-
Other Charges	-307.29	-137.91	4.49	-209.11	-93.67	4.48	-119.72	-53.09	4.43
TOTAL	8899.01	4797.83	5.39	9233.6	4966.58	5.37	9592.52	5112.33	5.33

Commission's analysis and decisions:

The energy requirement of the ESCOMs, including GESCOM, is being met by the following sources through long-term power purchase agreement:

1. Karnataka Power Corporation Limited (KPCL) Hydro & Thermal Generating stations,
2. Central Generating Stations (CGS),
3. Major Independent Power Producers (IPPs) and
4. RE sources.

The availability of energy has been considered by the Commission as per:

i. In respect of KPCL Generating Station, energy as furnished by the KPCL
ii. In respect of Central Government Stations (CGS) energy as furnished by the SRPC based on the Load Generation Balance Report (LGBR) prepared by the CEA. The availability of CGS stations is based on the share of Karnataka, as notified from time to time.
iii. In the case of RE sources, the actual generation capacity contracted by the ESCOMs, as indicated in D-1 Format, as per the PPAs executed by them, has been considered by comparing the actual energy supplied during FY21.
iv. In respect of major IPPs the energy is considered based on the energy contracted by the ESCOMs in terms of the PPAs executed with the generators.
v. The availability from the other sources such as Jurala Hydel Station and TB dam Power Stations of Telangana State is based on the share of the state in the installed capacity of the inter-state projects.
vi. In respect of Yelahanka Combined Cycle Power Plant (YCCPP) having a capacity of 350 MW, the availability as furnished by the KPCL, has not been considered, as the said generating station is yet to be synchronized with the grid and the CoD is yet to be declared.

Based on the above availability criteria, the energy allowed for the State to achieve the sales target of the respective years, is given in the following Table:

TABLE - 5.9

Abstract of Power Purchase Approved for ESCOMs for the Control Period FY23 to FY25

Sources	Financial Year FY 23			Financial Year FY 24			Financial Year FY 25		
	Energy in MU	Cost in Rs. Crores	Average cost Per Unit (Rs.)	Energy in MU	Cost in Rs. Crores	Average cost Per Unit (Rs.)	Energy in MU	Cost in Rs. Crores	Average cost Per Unit (Rs.)
KPCL Hydel Energy	11588.54	1310.26	1.13	11588.54	1336.46	1.15	11588.54	1363.19	1.18
KPCL Thermal Energy	17145.05	10263.35	5.987	18928.04	10971.03	5.80	19645.18	11302.29	5.75
CGS Energy	21187.50	9844.79	4.65	21187.50	10068.52	4.75	21187.43	10194.71	4.81
UPCL	1870.70	1892.14	10.11	2000.00	1965.48	9.83	3500.00	2651.57	7.58
Renewable Energy/Bundled Power	19626.62	8242.65	4.65	19808.91	8320.74	4.75	19812.704	8321.93	4.81
Other State Hydel	227.465	60.79	2.67	227.457	62.14	2.73	227.47	63.80	2.80
PGCIL & POSOCO Charges		2492.14			2554.33			2618.08	
KPTCL Transmission & SLDC		5126.755			5447.77			5838.41	
TOTAL	71645.875	39232.87	5.48	73740.447	40726.47	5.52	75961.324	42353.98	5.58

5.2.6 Power Purchase Cost & Transmission charges:

GESCOM's Submission:

GESCOM has submitted the Power Purchase requirement along with the cost including the transmission charges and SLDC charges, in the D-1 Format. The GESCOM has sought approval of the Commission for purchase of power as indicated below:

TABLE - 5.10

Power Purchase Quantum & Cost Proposed by GESCOM

FY23		FY24		FY25	
Quantum in MU	Cost in Rs. Crores	Quantum in MU	Cost in Rs. Crores	Quantum in MU	Cost in Rs. Crores
8899.01	4797.83	9233.6	4966.58	9592.52	5112.33

As regards the cost of power, the GESCOM has submitted that, same is considered as per the norms defined in contracts (PPAs)/ Regulations and based on the tariff indicated by KPCL for its Stations and the tariff determined by the CERC in respect of Central Generating Stations, DVC Stations and UPCL stations.

Commission's analysis and decisions

The Commission has arrived at the power purchase quantum and cost to be allowed in the ARR for the control period, after considering various aspects such as Sales, transmission and distribution losses, tariff rates claimed by the GESCOM etc.

The basis for computation of power purchase quantum for the control period FY23 to FY25 is indicated below:

1. Considering the approved sales and the allowable transmission and distribution losses, the requirement of Power for the GESCOM, for the control period FY23 to FY25, is worked out as under:

TABLE - 5.11

Power Purchase Requirement approved for the GESCOM for the Control Period FY23 to FY25

Particulars	FY23	FY24	FY25
Sales (MU)	7921.91	8245.95	8592.97
Approved Distribution losses (%)	10.50	10.25	10.00
Energy at IF point (MU)	8851.30	9187.69	9547.74
Transmission Losses (%)	2.864	2.764	2.664
Energy Required to meet the sales of GESCOM (MU)	9112.272	9448.854	9809.058

2. While approving the cost of power purchase, the Commission has arrived at the quantum of power from various sources in accordance with the principles of merit order schedule and dispatch, based on the ranking of all approved sources of supply according to the merit order of the variable cost.

3. The rates considered in respect of the KPCL stations are based on the Commission's Order dated 03.08.2009 approving the PPAs in respect of hydel stations except for Shivasamudram, Shimsha, Munirabad & MGHE.

4. The variable costs of State thermal stations and UPCL, have been considered based on the recent power purchase bills passed by the GESCOM duly considering the recent landed cost of fuel and other variable components.

5. The Tariff in respect of YTPS station Unit-1 & 2 the tariff has been considered as per the Commission's order dated 17.01.2022

6. The fixed charges and the variable charges for the Central Generating Stations, UPCL Stations and the DVC Stations have been considered based on the Tariff determined by the CERC as per the CERC norms. However, the energy has been considered from these units by limiting the quantum of energy as per the requirement of ESCOMs, to meet the sales target on the basis of merit order dispatch. It is expected that any surplus energy available from tied up sources of energy would be traded by the ESCOMs through PCKL on commercial principles. Similarly, any requirement over and above the quantum approved in this Tariff Order shall be procured from the tied up/ approved sources only.
7. The variations, if any, in the costs allowed, will be considered during the FAC determination exercise / Annual Performance Review of FY23.
8. The Commission has also allowed the KPTCL Transmission charges/PGCIL charges and SLDC charges to be paid by the ESCOMs for FY23-25, in the Power Purchase Cost.
9. Based on the approved requirement of energy and the power allocation given by the Government of Karnataka, the Power Purchase quantum and costs thereon are approved in the ARR of GESCOM for the control period FY23 to FY25, as shown in Annexure- 1(i to iii) and 2 (i to iii).
10. The consolidated power purchase cost allowed by the Commission visa-vis the power purchase costs, as filed by the GESCOM for the control period FY23 to FY25 is shown in the following Table:

TABLE - 5.12
Transmission & SLDC Charges

Name of ESCOMs	KPTCL Transmission charges in Rs. Crores			SLDC charges in Rs. Crores		
	FY23	FY24	FY25	FY23	FY24	FY25
BESCOM	2576.672	2774.577	3013.159	17.480	16.404	17.974
MESCOM	383.258	401.466	423.502	2.458	2.374	2.526
CESC	559.129	580.933	608.051	3.668	3.435	3.627
HESCOM	960.686	1011.446	1072.090	6.073	5.980	6.395
GESCOM	614.026	647.325	686.991	3.300	3.827	4.098
Total	5093.771	5415.747	5803.792	32.984	32.020	34.620

The CERC (sharing of inter State Transmission charges and loss Regulations, 2020 have come into force with effect from 01.11.2020 with change in the methodology of calculation. The PoC charges payable by ESCOMs has been computed by considering amounts claimed by PGCIL from the month of April 2021 onwards.

TABLE - 5.13

Abstract of Power Purchase Approved for GESCOM for the Control Period FY23 to FY25

Sources	Financial Year FY 23			Financial Year FY 24			Financial Year FY 25		
	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost in Rs.	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost in Rs.	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost in Rs.
KPCL Hydel Energy	1415.86	160.08	1.13	1335.72	152.12	1.14	1805.54	212.39	1.18
KPCL Thermal Energy	1880.57	1125.74	5.99	2310.56	1339.24	5.80	1967.38	1131.88	5.75
CGS Energy	2588.64	1202.82	4.65	2586.38	1229.07	4.75	2582.75	1242.73	4.81
UPCL	228.56	231.18	10.11	191.69	188.38	9.83	426.65	323.23	7.58
Renewable Energy/Bundled Power	2970.852	1244.29	4.19	2999.01	1256.351	4.19	2999.01	1256.29	4.19
Other State Hydel	27.79	7.43	2.67	25.49	6.96	2.73	27.73	7.78	2.81
PGCIL & POSOCO Charges		204.525			148.261			297.554	
KPTCL Transmission & SLDC		617.326			651.155			691.091	
TOTAL	**9112.28**	**4793.386**	**5.260**	**9448.85**	**4971.538**	**5.262**	**9809.058**	**5162.947**	**5.263**

The Commission directs GESCOM to regulate the quantum and cost of power as approved above by the Commission.

Since, as per the MYT Regulations the power purchase costs are uncontrollable, any excess quantum or cost will be trued up in Annual Performance Review of the respective years.

In the light of the above discussion, the Commission hereby approves power purchase quantum and costs as follows:

TABLE - 5.14
Approved Power Purchase for FY23-25

Year	Approved Quantum-MU	Approved Cost-Rs. Crores
FY23	9112.272	4793.386
FY24	9448.854	4971.538
FY25	9809.058	5162.947

5.2.7 O&M Expenses for FY23-25:

GESCOM's Proposal:

The GESCOM in its application has sought approval of following O & M expenses for FY23-25:

TABLE - 5.15

O&M Expenses for FY23-25 GESCOM's Submission

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
Employee cost	695.22	772.34	829.16
R&M cost	60.95	64.75	68.18
A&G expenses	149.08	158.33	166.71
Total O&M cost	**905.25**	**995.42**	**1064.05**

Commission's analysis &decision:

The Commission, in its preliminary observations had observed that GESCOM has projected Rs.135.60 Crores, Rs.142.03 Crores Rs.156.10 Crores and Rs.165.25 Crores respectively towards Contribution to Provident fund, P&G Trust and other funds for FY22 to FY25. GESCOM was directed to furnish the basis and the computation details for having claimed the amount of contributions to Pension and Gratuity Trust in respect of employees recruited prior to 31.03.2002 and those employees covered under NDCPS scheme separately.

GESCOMs in its replies to the preliminary observations, has submitted that the major component was increase in contribution towards Pension & NDCPS by Rs.52.72 Crores due to increase in contribution rates of pension (contribution rates which were revised during the year (i) 57.30% to 68.95 % w.e.f 01.04.2018 and (ii) 57.30% to 64% w.e.f 01.04.2019) provisioning of contribution amount towards pension trust were accounted and arrears of previous years were paid during the year FY21.

For FY22 to FY25 the basis and the computation details for having claimed towards P&G contribution & NDCPS is detailed as below:

Computation Table : **Amount in Rs.Crs.**

Sl. No.	Particulars	Basis of Calculation Arrived	FY22	FY23	FY24	FY25
1	Basic Salary		474.36	486.75	545.71	589.00
2	Other Allowance		40.13	47.49	48.79	48.73
3	NDCPS Basic	Sl. No.5*(Sl. No.1 - Sl. No. 2)/ Sl.No. 7	335.29	342.11	390.22	427.94
4	P& G Basic	(Sl. No.1-Sl.No.2)*Sl No. 6/ Sl. No. 7	98.95	97.16	106.70	112.34
5	No. of NDCPS Employees		5398	5398	5398	5398
6	No. of P&G Employees		1593	1533	1476	1417
7	Total No of Employees		6991	6931	6874	6815
8	NDCPS Contribution	Sl.No 3* 14%	46.94	47.89	54.63	59.91
9	P&G Contribution	(For FY 22 Sl.No. 4* 64% + Sl. No. 4*6.05%,)*1.05 & (For FY 23 , FY 24, FY-25, Sl.No. 4* 64% + Sl. No. 4*6.05%)*1.08	88.66	94.14	101.47	105.33

GESCOM has requested the Commission to consider the employee contribution expenses as proposed.

The Commission has noted the actual O&M expenses as per the audited accounts of GESCOM for FY21. The Commission also notes that the actual O&M expenses are Rs.853.76 Crores for FY21, which also include the contribution of terminal benefits towards P&G Trust along with the other employee cost, Repair & Maintenance expenses and A&G expenses. The Commission has considered the P&G contribution as projected by GESCOM in its replies to observations made by the Commission. The Commission has noted that as per P&G Trust Order dated 06.08.2021, the rate of contributions has been reduced from 68.95% and 6.08% to 64% and 6.05% with effect from 01.04.2019. The Commission has considered the same while projecting the O&M expenses.

The Commission, in terms of the provisions of MYT Regulations, has considered the 3-year CAGR towards consumer growth and inflation rate index (CPI) and (WPI) based on the methodology followed by the CERC.

The Commission has computed the O & M expenses for FY23-25, duly considering the actual O & M expenses of FY21 as per the audited accounts (being the latest data available as per the audited accounts) to arrive at the O & M expenses for base year i.e. FY22. The actual O&M expenses for FY21, as submitted by GESCOM are Rs.853.76 Crores. Considering the Wholesale Price Index (WPI) as per the data available from the Ministry of Commerce & Industry, Government of India and Consumer Price Index (CPI), as per the data available from the Labour Bureau, Government of India and adopting the methodology followed by CERC with CPI and WPI in the ratio of 80:20, in line with the methodology followed by the Commission, in its earlier Tariff Order, the allowable inflation rate for FY23-25 is computed as follows:

TABLE – 5.16

Computation of Inflation Index for FY23-25

Year	WPI	CPI	Composite Series	Yt/Y1=Rt	Ln Rt	Year (t-1)	Product [(t-1)*(LnRt)]
2009	81.9	54.5	59.98				
2010	89.7	61.1	66.82	1.11	0.11	1	0.11
2011	98.2	66.5	72.84	1.21	0.19	2	0.39
2012	105.7	72.7	79.3	1.32	0.28	3	0.84
2013	111.1	80.6	86.7	1.45	0.37	4	1.47
2014	114.8	85.7	91.52	1.53	0.42	5	2.11
2015	110.3	90.8	94.7	1.58	0.46	6	2.74
2016	110.3	95.3	98.3	1.64	0.49	7	3.46
2017	114.1	97.6	100.9	1.68	0.52	8	4.16
2018	118.9	102.4	105.7	1.76	0.57	9	5.10
2019	121.2	110.2	112.4	1.87	0.63	10	6.28
2020	121.8	116.3	117.4	1.96	0.67	11	7.39
A= Sum of the product column							34.05
B= 6 Times of A							204.28
C= (n-1)*n*(2n-1) where n= No of years of data=12							3036.00
D=B/C							0.07
g(Exponential factor)= Exponential (D)-1							0.0696
e=Annual Escalation Rate (%)=g*100							**6.9602**

For the purpose of determining the normative O&M expenses for FY23-25, the Commission has considered the following:

a) The actual O & M expenses incurred as per the audited accounts for FY21 inclusive of contribution terminal benefits to the Pension and Gratuity Trust to determine the O & M expenses for the base year FY22.
b) The three year compounded annual growth rate (CAGR) of the number of installations considering the actual number of installations as per the audited accounts upto FY21 and as projected by the Commission for FY22 at 3.18%, 3.60% and 3.94% respectively for FY23-25.
c) The weighted inflation index (WII) at 6.9602% as computed above.
d) Efficiency factor at 2% as considered in the earlier two control periods.

The above parameters are computed duly considering the same methodology as is being followed in the earlier orders of the Commission and the relevant Orders of the Commission on various Review Petitions filed by the ESCOMs.

As discussed previously in other Tariff Orders, the Commission is of the view that increase in the employee cost should reflect in improved productivity and efficiency for the betterment of services rendered by the GESCOM to its consumers in its jurisdiction. As per the decisions of the Commission, in the earlier Tariff Orders, the distribution licensees were required to justify any increase in the employee cost commensurate with the increase in real employee productivity. Hence, the Commission expects that with the increase in the emoluments, the improved productivity of the employees would be reflected in terms of increased sales, reduction of losses and improved revenue collections.

Thus, considering the actual O&M expenses of Rs.853.76 Crores for FY21 as the base, the normative O & M expenses for FY23-25 are as follows:

TABLE – 5.17
Approved O & M expenses for FY23-25

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
No. of Installations	3586566	3727773	3875815
Consumer growth rate as per actuals / projections (3 Year CAGR) in %	3.18%	3.60%	3.94%
Inflation Index in %	6.9602%	6.9602%	6.9602%
Actual O&M expenses as per audited accounts for FY21	Rs.853.76 Crores		
Projected Base year O&M expenses for FY22	Rs.929.84 Crores		
O&M Index= 0&M (t-1)*(1+WII+CGI-X)	1005.54	1091.62	1188.76
Total allowable O&M	**1005.54**	**1091.62**	**1188.76**

Since, the base year data includes the O&M expenses of Rs.853.76 Crores for FY21 which is inclusive of contribution of terminal benefits to the P&G Trust, the Commission has not considered allowing contribution of terminal benefits to the P&G Trust separately. As the O&M expenses are controllable expenses as per the provisions of MYT Regulations, the Commission directs the GESCOM to exercise due diligence and limit the expenses within the approved level during FY23 to FY25.

Thus, the Commission decides to approve O&M expenses of Rs.1005.54 Crores for FY23, Rs.1091.62 Crores for FY24 and Rs.1188.76 Crores for FY25.

5.2.8 Depreciation:

GESCOM's Proposal:

The GESCOM has claimed an amount of Rs.225.21 Crores, Rs.243.77 Crores and Rs.261.12 Crores for the control period FY23 to FY25 respectively, as the net depreciation after deducting the amount of depreciation on the assets created out of consumer contributions/grants for the control period for FY23-25, as per the norms specified under the MYT Regulations. The details of the claim are as under:

TABLE – 5.18

Depreciation-FY23-25- GESCOM's Proposal

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
Depreciation	293.12	318.42	342.75
Less: withdrawals of depreciation on assets created out of consumer contribution/grants	67.91	74.65	81.63
Net Depreciation	**225.21**	**243.77**	**261.12**

Commission's analysis and decision:

The Commission in its preliminary observations, had observed that GESCOM has projected Rs.67.91 Crores, Rs.74.65 Crores and Rs.81.63 Crores respectively as the amount deducted towards depreciation on assets created out of consumer contributions for grants for FY23 to FY25. GESCOM was directed to submit the details of assets created out of consumer contributions and grants for having claimed the withdrawal of depreciation on such assets for FY23 to FY25.

GESCOM in its reply to the preliminary observations, had reiterated the details submitted in its tariff application without submitting the computation sheet in support of its claims.

In accordance with the provisions of the MYT Regulations and amendments thereon, the Commission has determined the depreciation for FY23-25 considering the following:

a) The actual rate of depreciation of category-wise assets has been determined by considering the amount of depreciation and the gross block of opening and closing balances of fixed assets as per the audited accounts for FY21.

b) This actual rate of depreciation is considered on the gross block of average of projections of opening and closing balance of fixed assets considering the capex and the categorization of assets thereon, as approved by the Commission for FY23 to FY25.

c) The depreciation on account of assets created out of consumers' contribution / grants has been considered (deducted) based on the opening and closing balance of such assets duly considering the addition of assets and projections made by the Commission for FY23-25, at the weighted average rate of depreciation, as per actuals in FY21.

Accordingly, the total depreciation for FY23-25 arrived at is as follows:

TABLE – 5.19
Approved Depreciation for FY23-25

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
Buildings	4.33	4.64	4.96
Hydraulic works	0.40	0.43	0.46
Civil works	0.20	0.21	0.22
Plant & Machinery	44.61	47.83	51.15
Line, Cable Network	240.67	258.07	276.00
Vehicles	0.44	0.47	0.50
Furniture	0.44	0.47	0.50
Office Equipment	0.47	0.51	0.54
Amortization on Right of use Assets	0.09	0.09	0.10
Intangible Assets	0.00	0.00	0.00
Total Depreciation	**291.63**	**312.72**	**334.45**
Less: Depreciation withdrawn on the assets created out of consumers contribution / Grants	67.91	74.65	81.63
Net Depreciation Allowed	**223.72**	**238.07**	**252.82**

Accordingly, the Commission decides to approve an amount of Rs.223.72 Crores, Rs.238.07 Crores and Rs.252.82 Crores towards net depreciation for FY23, FY24 and FY25 respectively.

5.2.9 Interest on Capital Loans:

GESCOM's proposal:

GESCOM, in its filing, has claimed the interest on Capital loan for Rs.248.13 Crores, Rs.242.40 Crores and Rs.224.21 Crores for FY23-25, respectively.

GESCOM has furnished the sources of funding, to meet the capex envisaged for FY23-25, as indicated in the following Table:

TABLE - 5.20

Sources of fund to capex

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
Capex with GOI grant	19.30	20.25	26.85
Capex with Internal Resources	105.03	108.30	88.22
Borrowings	267.89	255.24	261.64
Equity (GOK)	348.18	348.03	366.90
GOK contribution	51.08	50.41	22.65
Capex Proposed	791.45	782.22	765.27
Expected expenditure	634.57	632.86	620.04

GESCOM in its application has submitted that it has considered 80% of the investment plan requirement from the borrowing and the rest from internal resources and other sources. GESCOM in its application as per Format D-9 has requested to approve the total interest on capital loans for FY23-25 drawn from different sources, as follows:

TABLE – 5.21

Interest on Capital Loans– GESCOM's Submission

Amount in Rs. Crores

Particulars	FY-23	FY-24	FY-25
Opening Balance of loans	4000.58	3901.68	3890.65
Add: New Loans	417.89	555.24	511.64
Less: Repayments	516.79	566.27	927.85
Closing Balance of loans	3901.68	3890.65	3474.44
Interest on Capital Loan	**248.13**	**242.4**	**224.21**

Commission's analysis and decision:

The Commission has taken note of the proposed capex and the capital loans proposed by GESCOM for FY23-25, as discussed in the preceding paragraphs of this Chapter.

The Commission in its preliminary Observation, had observed that GESCOM had clubbed both the long Term (Capital Loan) and the short term loans (working capital) and claimed the interest thereon including interest on working capital under interest on capital loan for FY21 to FY25. GESCOM was directed to bifurcate the loans into Long Term (capital loan) and Short Term (working capital loan) and submit the details for each loan, i.e., name of the bank/FI, amount of loan sanctioned, purpose of availing the loan, opening balance, rate of interest, term of the loan, repayment, interest amount and closing balance duly tallied to the audited accounts for FY21 and also for the projections made for FY22 to FY25.

GESCOM in its replies to the preliminary observations, has submitted the bifurcation of loans into short- term (working capital) and long-term (capital) loan and the Commission has taken note of the same.

The Commission notes the various capital works proposed under capex and the source of fund for FY23-25. The Commission further takes a note of the various works proposed by the GESCOM through grants from GoI / GoK, the availability of internal resources and the works to be executed by consumer contributions during the control period for FY23-25.

The Commission further notes that GESCOMs has proposed capex amount of Rs.791.45 Crores, Rs.632.86 Crores and Rs.620.04 Crores respectively for FY23-25. After deducting the amounts covered under capital grants from the GOI / GoK, and the availability of internal resources and the consumer contributions towards capital works, the expenditure likely to be met by the GESCOM by raising capital loan is proposed at Rs.267.89 Crores for FY23, Rs.255.24 Crores for FY24 and Rs.261.64 Crores for FY25.

The Commission after considering all the above aspects and to avoid front loading of the interest on loan component in the retail supply tariff, decides to approve and reckon the capital expenditure of Rs.500 Crores for each of the year of the control period for FY23-25 respectively, for the purpose of ARR for FY23-25. However, as discussed in pre-para, after considering the availability of GoI / GoK grants internal resources and consumer contribution, the Commission decides to consider the new loans at Rs.350 Crores for each year of the control period of FY23, FY24 and FY25 respectively, against the approved capex. The

Commission has considered new loans, in accordance with the debt equity ratio of 70:30, as per the MYT Regulations.

The Commission notes the interest charges as proposed by GESCOM. The Commission further notes that the present interest rate being charged by the commercial banks and financial institutions are on the basis of marginal cost of fund based Lending Rates (MCLR). These rates are comparatively lower than the bank rates considered earlier. Further in the current economic conditions favorable for investments, it is observed that there is a downward trend in the MCLR and the interest rates. Hence, the Commission would like to reiterate that the GESCOM should avail capital loans at competitive rates, to reduce interest burden on the consumers.

The current SBI MCLR rate for capital loan with a tenure of 3-years is 7%. The Commission, as per the provision of MYT Regulations, decides to consider the present MCLR along with 200 basis points which works out to 9.30% for the control period FY23-25, for the new capital loan borrowings. It is to be noted that, the rate of interest now considered by the Commission, on the new capital loans for the control period, is subject to review during the APR and revision of ARR of the relevant years of the control period.

Accordingly, the approved interests on capital loans for FY23-25 are as follows:

TABLE – 5.22
Approved Interest on Capital Loans for FY23-25

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
Opening balance of Long term secured & unsecured loans	1062.03	1297.13	1517.64
Add: New Loans Borrowed	350.00	350.00	350.00
Less: Repayments of loan	114.90	129.49	144.07
Total loan at the end of the year	1297.13	1517.64	1723.57
Average Loan	**1179.58**	**1407.38**	**1620.61**
Weighted average rate of interest considered for the existing loans amounts	10.55%	10.39%	10.27%
Interest rate allowed on new loans in %	9.30%	9.30%	9.30%
Allowable Interest on Capital Loan	**124.40**	**146.25**	**166.49**

Accordingly, the Commission decides to approve interest on capital loans of Rs.124.40 Crores, Rs.146.25 Crores and Rs.166.49 Crores for FY23, FY24 and FY25 respectively.

5.2.10 Interest on Working Capital Loan:

GESCOM's proposal:

GESCOM, in its application, has computed the interest on working capital loan on normative basis and has requested the Commission to approve Rs.124.82 Crores, Rs.130.34 Crores and Rs.135.95 Crores for FY23-25, as follows:

TABLE – 5.23

Interest on Working Capital loan for FY23-25
GESCOM's Submission

Amount In Rs. Crores

Particulars	FY23	FY24	FY25
Interest on Working Capital loan	124.82	130.34	135.95

Commission's analysis and decision:

As per the norms specified under the MYT Regulations, the Commission has computed the interest on working capital which consists of one months' O&M expenses, 1% of Opening GFA and two month's revenue.
The Commission notes that GESCOM while claiming the interest on working capital, has not submitted the computation sheet for FY 23-25.

The Commission in its preliminary observation had noted that GESCOM has claimed Rs.124.82 Crores, Rs.130.34 Crores and Rs.135.95 towards interest on working capital at 11.00% in addition to claiming interest on short term and overdraft under interest on long term capital loan for FY23 to FY25. GESCOM, by taking into account the GoI circular issued to reduce the interest burden on consumers and also keeping in view the trend of fall in interest rates in the last 2 years, shall examine and re-compute the interest and submit the same to the Commission for FY23 to FY25. GESCOM in its replies to the preliminary observations, has submitted that it has availed loan towards working Capital from M/s. REC Ltd. with ROI @ 12.50% p.a. Further, in view of expected reduction of ROI, GESCOM has considered interest rate at 11.00 % p.a. for working capital requirement. GESCOM has requested the Commission to consider the same while determining tariff for the control period.

The Commission notes that the, current interest rates charged by commercial banks and financial institutions are mainly on the basis of MCLR declared from time to time. Hence, the Commission has considered MCLR, depending upon the tenure of the loan. The Commission notes that, GESCOM needs to take up financial prudence measures while availing working capital, so that the interest burden on its consumers is reduced. Thus, the Commission by considering the downward trend in the interest rates and by reckoning the present MCLR rate of 7% for short term with tenure of one year and by considering the spread on 250 basis points, and as per the provisions of the MYT Regulations, decides to consider interest on working capital at 9.50% per annum for FY23-25.

Accordingly, the approved interest on working capital for FY23-25 is computed as follows:

TABLE – 5.24
Approved Interest on Working Capital for FY23-25

Amount in Rs. Crores

Particulars	FY 23	FY 24	FY 25
One-twelfth of the amount of O&M Expenses	83.79	90.97	99.06
Opening balance of Gross Fixed Asset (GFA)	**6865.87**	**7364.12**	**7893.93**
Stores, materials and supplies - 1% of Opening balance of GFA	68.65	73.64	78.94
One-sixth of the Revenue	1024.87	1066.79	1111.68
Total Working Capital	1177.31	1231.40	1289.68
Rate of Interest (% p.a.)	9.50%	9.50%	9.50%
Interest on Working Capital	**111.84**	**116.98**	**122.52**

Thus, the Commission decides to approves interest on working capital of Rs.111.84 Crores, Rs.116.98 Crores and Rs.122.52 Crores for F23, FY24 and FY25 respectively.

5.2.11 Interest on Consumer Security Deposit:

GESCOM's proposal:

GESCOM, in its filing, has projected Rs.36.19 crores, Rs.42.70 Crores and Rs.46.18 Crores towards interest on consumer security deposit for FY23-25, as shown below:

Calculation of Interest on Consumer Security Deposit

Amount in Crores

Sl.No.	Particulars	FY 23	FY 24	FY 25
1	Balance of Consumer Deposit at the Beginning of the year	648.33	701.17	758.31
2	Closing Balance of Consumer Deposits	667.78	722.20	781.06
3	Addition during the year	19.45	21.03	22.75
4	Rate of Interest Allowed (% p.a.)	5.50	6.00	6.00
5	**Interest on Consumer Security Deposit**	**36.19**	**42.70**	**46.18**

Commission's analysis and decision:

The Commission in its preliminary observation has observed that GESCOM has claimed Rs.36.19 Crores, Rs.42.70 Crores and Rs.46.18 Crores towards interest on consumer security deposits at the rate of 5.50% for FY23 and 6.00% for FY24 and FY25, which is not in line with the provisions of MYT Regulations. GESCOM was directed to examine and re-compute the interest by considering the applicable Bank Rate as notified by the RBI and submit the same to the Commission for FY23 to FY25.

GESCOM in its replies to the preliminary observations, without factoring in the proposed ARR has submitted the updated Interest on consumer security deposits at 5.00% of Bank rate, as shown below:

Particulars	FY 21	FY 22	FY 23	FY 24	FY 25
Rate of Interest Allowed (% p.a.)	4.65%	5.00%	5.00%	5.00%	5.00%
Interest on Consumer Security Deposit	25.54	30.42	32.90	35.58	38.48

In accordance with the KERC (Interest on Security Deposit) Regulations 2005, the interest rate to be allowed shall be the Bank Rate prevailing on the 1st of April of the financial year for which interest is due. As per Reserve Bank of India

Notification dated 22.05.2020, the bank rate is 4.25%. This being the latest available bank rate, the Commission has considered the same, for computation of interest on consumer deposits for FY23-25.

The Commission has considered amount of the consumer security deposits as per the audited accounts of FY21. The Commission has taken note of the additional amount of deposits collected from the consumers during the previous years. Based on the additional security deposits collected during the previous year and also in FY21, the Commission has decided to factor Rs.45 Crores, Rs.50 Crores and Rs.55 Crores for FY23-25 respectively, as the additional security deposit likely to be collected for the computation of interest on consumer security deposit for the Control period. Thus, the interest on consumer deposits for FY23-25 is computed in the following Table:

TABLE – 5.25

Approved Interest on Consumer Security Deposits for FY23-25

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
Opening balance of consumer security deposits	639.47	684.47	734.47
Closing Balance of consumer security deposit	684.47	734.47	789.47
Average Consumer Security deposit amount	661.97	709.47	761.97
Rate of Interest at bank rate to be allowed as per Regulations	4.25%	4.25%	4.25%
Allowable Interest on Consumer Security Deposit	**28.13**	**30.15**	**32.38**

Thus, the Commission decides to approve interest on consumer security deposits at Rs.28.13 Crores, Rs.30.15 Crores and Rs.32.38 Crores for FY23, FY24 and FY25 respectively.

5.2.12 Interest and Finance Charges Capitalized:

GESCOM has projected an amount of Rs.5.17 Crores, Rs.5.43 Crores and Rs.5.70 Crores based on actual expenditure incurred during FY21 towards capitalization of interest and finance charges during FY23, FY24 and FY25 respectively.

Commission's analysis and decision:

Considering the capital expenditure and capitalization thereon in the previous years, the Commission decides to allow capitalization of interest and finance charges as proposed by GESCOM for the control period FY23-25.

The abstract of approved interest and finance charges for FY23-25 is as follows:

TABLE – 5.26
Approved Interest and finance charges for FY23-25

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
Interest on Capital Loan	124.40	146.25	166.49
Interest on Working Capital loan	111.84	116.98	122.52
Interest on Consumers Security Deposit	28.13	30.15	32.38
Other Interest and Finance Charges	0.00	0.00	0.00
Less: Interest & Finance charges capitalized	-5.17	-5.43	-5.70
Approved Interest & Finance Charges	**259.21**	**287.95**	**315.70**

5.2.13 Other Debits:

GESCOM in its application, has submitted that the other debits for FY21 is Rs.78.32 Crores, which includes provision for bad and doubtful debts. Accordingly, GESCOM has projected Rs.86.35 Crores, Rs.90.67 Crores and Rs.95.20 Crores towards 'Other debits' for FY23, FY24 and FY25, respectively.

Commission's analysis and decision:

The Commission as per the provisions of the MYT Regulations as amended, has not been considering the projections of other debits for the reason that, the same cannot be estimated beforehand. The Commission therefore, has not allowed the same in the ARR for the control period. However, such expenses would be considered as per the actuals, with reference to the audited accounts for the relevant years at the time of APR.

5.2.14 Return on Equity(RoE):

GESCOM's proposal:

GESCOM, in its application, has not claimed any amount towards RoE for the sixth control period, as the net worth is negative as indicated below:

TABLE – 5.27
Return on Equity for FY23-25-GESCOM's Proposal

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
Paid Up Share Capital	1922.05	2072.05	2222.05
Share Deposit	0.00	0.00	0.00
Reserves	-3165.87	-3165.87	-3165.87
Total Equity	-1243.82	-1093.82	-943.82
Approved RoE @ 15.50%	**-192.79**	**-169.54**	**-146.29**

Commission's analysis and decision:

The Commission had noted the opening and closing balance of GFA for FY21 to FY25 projected by GESCOM. Accordingly, the Commission in its preliminary observations had directed GESCOM to submit the details of GFA created out of consumer's contribution & grants and for the other assets created and the amount included in the projected closing balances of GFA for FY23 to FY25 in order to verify the compliance of the directive in terms of Hon'ble ATE Order in OP 46/2014. GESCOM in its replies has reiterated the details, as submitted in its tariff application:

The Commission notes the status of debt equity ratio with reference to the projected gross fixed assets for each year of the control period FY23-25. The Commission has considered the actual closing balance of share capital, share deposits and the accumulated surplus / deficit under Reserves & Surplus as per the audited accounts for FY21 for arriving at the allowable equity base for the control period FY23-25.

The Commission, in accordance with the provisions of the MYT Regulations, has considered Return on Equity of 15.5% duly grossed up with the applicable Minimum Alternate Tax (MAT 17.472%) which works out to 18.7815% per annum. Further, as per the decision of the Commission in the Review Petition No.6/2013 and Review Petition 5/2014, and the amended provisions of the MYT Regulations, the Return on Equity shall be computed based on the opening balances of share capital, share deposits and the accumulated balances of surplus / deficit under reserves and surplus account. Further an amount of Rs.22.00 Crores of recapitalized consumer deposit, as net worth is also considered as per the orders of the Hon'ble ATE in Appeal No.46/2014.

Further, in compliance of the orders of the Hon'ble ATE in Appeal No.46/2014, wherein it was directed to indicate the opening and closing balances of gross fixed assets without considering the assets created out of consumer contribution / grants along with break-up of equity and loan component in the Tariff Order issued henceforth, the details of GFA, debt and equity (net-worth) for FY23-25 are indicated in the following Table:

TABLE – 5.28
Status of Debt Equity Ratio for FY23-25

Amount in Rs. Crores

Year	Particulars	GFA without GFA created out of CC/Grants	Debt	Equity (Net worth)	Normative Debt @ 70% of GFA	Normative Equity @ 30% of GFA	%age of actual debt on GFA	%age of actual equity on GFA
FY23	Opening Balance	5541.12	1062.03	-1512.43	3878.78	2023.92	19.17%	(-)27.29
	Closing Balance	5902.70	1297.13	-1512.43	4131.89	1770.81	21.98%	(-)25.62
FY24	Opening Balance	5902.70	1297.13	-1512.43	4131.89	1770.81	21.98%	(-)25.62
	Closing Balance	6290.50	1517.64	-1512.43	4403.36	1887.15	24.13%	(-)24.04
FY25	Opening Balance	6290.50	1517.64	-1512.43	4403.36	1887.15	24.13%	(-)24.04
	Closing Balance	6673.65	1723.57	-1512.43	4671.56	2002.10	25.83%	(-)22.66

From the above table it could be seen that the debt equity lies within the normative debt equity ratio of 70:30 on the opening and closing balances of projected GFA for each year of the control period. Further, the Commission will review the same during the Annual Performance Review for each year, based on the actual data as per the audited accounts.

Accordingly, the Return on Equity that could be approved for FY23-25 works out as follows:

TABLE – 5.29

Approved Return on Equity for FY23-25

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
Opening balance of Share Capital	1509.80	1509.80	1509.80
Opening balance of Share deposit	112.42	112.42	112.42
Opening balance of Accumulated Losses	-3112.65	-3112.65	-3112.65
Less: Recapitalized Security Deposit	-22.00	-22.00	-22.00
Equity	**-1512.43**	**-1512.43**	**-1512.43**
RoE	**0.00**	**0.00**	**0.00**

Since, the projected net-worth of the Company is negative for the control period, GESCOM is not entitled to any RoE for FY23-25.

5.2.15 Other Income:

GESCOM's proposal:

GESCOM in its application has claimed other income for the control period as detailed below:

TABLE – 5.30

Other Income – GESCOM's Proposal

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
Other Income	57.74	59.26	60.83

Commission's analysis and decision:

The Commission has taken note of other income claimed by the GESCOM under as per D-4 Format for the control period FY23-25.

The Commission notes that the other income earned by the GESCOM mainly includes income from miscellaneous recoveries, interest on bank deposits, rent from staff quarters, rebate on collection of electricity duty besides incentives for timely payment of power purchase bills. The actual 'other income' earned by GESCOM, as per the audited accounts for FY21 is Rs.103.12 which also included rebate on power purchase of Rs.27.38 Crores and as such GESCOM is allowed to retain 10% of incentive earned on early payment of Power Purchase of Rs.2.74

Crores. After deducting the above amount of Rs.2.74 Crores, the Commission decided to allow an amount of Rs.100.38 Crores as other income for FY21.

The Commission has noted other income earned by GESCOM during the previous years and accordingly the average 'Other Income' earned by GESCOM in FY20 and FY21 is Rs.119.08 Crores. Considering the above, and the expected growth **the Commission decides to approve Rs.124.93 Crores, Rs.131.18 Crores and Rs.137.74 Crores as other income for FY23, FY24 and FY25, respectively.**

5.2.16 Regulatory Assets:

GESCOM in its filing has submitted that the Commission in its Tariff Order 2020, dated 04.11.2020 had carried the unrecovered portion of the revenue gap of seven months amounting to Rs.178.43 Crores of FY21 as Regulatory Asset to be recovered in the tariff over the next two years i.e. FY22 and FY23. Further, the Commission has also allowed carrying cost at 10% per annum on the amount of Regulatory Asset which will be assessed at the time of APR for FY22 and FY23. GESCOM has already considered Rs.89.21 Crores as Regulatory Asset for FY22 along with 10% carrying cost, amounting to Rs.99.92 Crores. Similarly, GESCOM is considering the unrecovered regulatory asset along with carrying cost of Rs.99.92 Crores for FY23.

The Commission notes that, out of the Regulatory Asset of Rs.178.43 Crores created as per Tariff Order dated 04.11.2020, Rs.89.21 Crores has been included in the ARR of FY22 for being recovered in the retail supply tariff of FY22. The remaining Regulatory Asset of Rs.89.21 Crores recoverable in the ARR/Retail supply tariff for FY23 is now considered in the ARR of FY23. As regards to carrying cost FY22 and FY23 on the Regulatory Asset, the Commission will consider the same during the APR of FY22 and FY23 based on the actual revenue gap as per audited accounts for these years.

5.2.17 Fund towards Consumer Relations / Consumer Education:

GESCOM in its filing has not claimed any amount towards Consumer Relations / Consumer Education for FY23-25.

The Commission has been allowing an amount of Rs.0.50 Crore per year towards consumer relations / consumer education. This amount is earmarked to conduct consumer awareness programmes, periodical consumers' grievance redressal meetings and institutionalize a mechanism for addressing common problems of the consumers. The Commission has already issued guidelines for consumer education and grievance redressal activities.

The Commission decides to continue providing an amount of Rs.0.50 Crore for each year of the control period FY23-25 towards meeting the expenditure on consumer relations / consumer education.

The Commission directs GESCOM to furnish a detailed plan of action for utilization of this amount and also maintain a separate account of these funds and furnish the same, at the time of seeking APR.

5.3 Abstract of ARR for FY23-25:

In the light of the above analysis and decisions of the Commission, the following is the approved ARR for the control period FY23-25:

TABLE – 5.31
Approved ARR for FY23-25

Amount in Rs. Crores

Sl. No.	Particulars	FY 23		FY 24		FY 25	
		As Filed 30.11.2021	As Approved	As Filed 30.11.2021	As Approved	As Filed 30.11.2021	As Approved
1	Energy at Gen Bus in MU	8899.01	9112.27	9233.60	9448.85	9592.52	9809.06
2	Transmission Losses in %	2.978%	2.864%	2.978%	2.764%	2.978%	2.664%
3	Energy at Interface in MU	8634	8851.30	8958.62	9187.69	9306.86	9547.74
4	Distribution Losses in %	10.70%	10.50%	10.65%	10.25%	10.60%	10.00%
	Sales in MU:						

5	Sales to other than IP & BJ/KJ	4242.74	4499.01	4457.23	4747.95	4687.06	5019.87
6	Sales to BJ/KJ	256.61	249.77	256.61	249.77	256.61	249.77
7	Sales to IP	3210.81	3173.13	3290.69	3248.23	3376.66	3323.33
	Total Sales	**7710.16**	**7921.91**	**8004.53**	**8245.95**	**8320.33**	**8592.97**
	Revenue at existing and Misc. Charges:						
8	Revenue from tariff and Misc. Charges	3707.02	3938.15	3879.24		4064.26	
9	Tariff Subsidy to BJ/KJ Installation	198.62	186.58	198.62		198.62	
10	Tariff Subsidy to IP Sets	2048.5	2024.46	2099.46		2154.31	
	Total Existing Revenue	**5954.14**	**6149.19**	**6177.32**	**6400.72**	**6417.19**	**6670.08**
	Expenditure:						
11	Power Purchase Cost	4282.95	4176.06	4432.34	4320.39	4557.32	4471.86
12	Transmission charges of KPTCL	510.59	614.03	529.79	647.33	550.38	686.99
13	SLDC Charges	4.29	3.3	4.45	3.83	4.63	4.10
	Power Purchase Cost including cost of transmission	**4797.83**	**4793.39**	**4966.58**	**4971.545**	**5112.33**	**5162.95**
	O&M Expenses	**905.25**	**1005.54**	**995.42**	**1091.62**	**1064.05**	**1188.76**
14	Depreciation	225.21	223.72	243.77	238.07	261.12	252.82
	Interest & Finance charges						
15	Interest on Capital Loans	248.13	124.40	242.40	146.25	224.21	166.49
16	Interest on Working capital loans	124.82	111.84	130.34	116.98	135.95	122.52
17	Interest on belated payment on PP Cost	0.00	0.00	0.00	0.00	0.00	0.00
18	Interest on consumer security deposits	36.19	28.13	42.7	30.15	46.18	32.38
19	Other Interest & Finance charges	0.00	0.00	0.00	0.00	0.00	0.00
20	**Less:** interest & other expenses capitalised	-5.17	-5.17	-5.43	-5.43	-5.7	-5.70
	Total Interest & Finance charges	**403.97**	**259.21**	**410.01**	**287.95**	**400.64**	**315.70**
21	Other Debits	86.35	0.00	90.67	0.00	95.20	0.00
22	Net Prior Period Debit/Credit	0.00	0.00	0.00	0.00	0.00	0.00
23	Return on Equity	0.00	0.00	0.00	0.00	0.00	0.00
24	Funds towards Consumer Relations/Consumer Education	0.00	0.50	0.00	0.50	0.00	0.50
	Regulatory assets as per Tariff Order dated 04.11.2020	99.92	89.21	0.00	0.00	0.00	0.00
	Carrying Cost	140.39	0.00	0.00	0.00	0.00	0.00

25	Less: Other Income	-57.74	-124.93	**-59.26**	-131.18	-60.83	**-137.74**
26	**ARR**	**6601.18**	**6246.64**	**6647.19**	**6458.52**	**6872.51**	**6782.99**
27	Deficit for FY21 carried forward(APR)	-1169.9	-179.82	0.00	0.00	0.00	0.00
28	**Net ARR**	**7771.08**	**6426.46**	**6647.19**	**6458.52**	**6872.51**	**6782.99**
	Net Deficit	**-1816.94**	**-277.27**	**-469.87**	**-57.80**	**-455.32**	**-112.91**

5.4 Segregation of ARR into ARR for Distribution Business and ARR for Retail Supply Business:

GESCOM in its application has not proposed any new ratio for segregation of consolidated ARR into ARR for Distribution Business and ARR for Retail Supply Business.

Commission's Analysis and Decisions:

GESCOM in its application has not proposed any new ratio of segregation of consolidated ARR into ARR for Distribution Business and ARR for Retail Supply Business and proposed the same ratio as being adopted during the previous control period. Thus, the Commission decides to continue with the existing ratio of segregation of ARR as detailed below:

TABLE – 5.32
Approved Segregation of ARR – FY23-25

Particulars	Distribution Business	Retail Supply Business
O&M	70%	30%
Depreciation	84%	16%
Interest on Loans	100%	0%
Interest on Consumer Deposits	0%	100%
RoE	84%	16%
GFA	84%	16%
Non-Tariff Income	7%	93%

Accordingly, the following is the approved ARR for Distribution Business and Retail supply business:

TABLE – 5.33

APPROVED REVISED ARR FOR DISTRIBUTION BUSINESS – FY23

Amount in Rs. Crores

Sl. No	Particulars	FY23
1	O&M Expenses	703.88
2	Depreciation	187.93
	Interest & Finance Charges	
3	Interest on Capital Loans	124.40
4	Interest on Working capital loans	17.87
5	Interest on consumer security deposits	0.00
6	Other Interest & Finance charges	0.00
7	**Less**: interest & other expenses capitalized	-5.17
8	Regulatory Assets	74.94
9	ROE	0.00
10	**Less:** Other Income	-8.75
11	Provision for taxes	0.00
12	**NET ARR**	**1095.10**

TABLE – 5.34

APPROVED ARR FOR RETAIL SUPPLY BUSINESS – FY23

Amount in Rs. Crores

Sl. No	Particulars	FY23
1	Power Purchase	4179.36
2	Transmission Charges & SLDC Charges	614.03
3	O&M Expenses	301.66
4	Depreciation	35.80
	Interest & Finance Charges	
5	Interest on Capital Loans	0.00
6	Interest on Working capital loans	93.98
7	Interest on consumer security deposits	28.13
8	Other Interest & Finance charges	0.00
9	**Less**: Interest & other expenses capitalised	0.00
	Regulatory Assets	14.27
10	ROE	0.00
11	**Less:** Other Income	-116.18
12	Fund towards Consumer Relations / Consumer Education	0.50
13	**NET ARR**	**5151.54**

5.5 Gap in Revenue for FY23:

As discussed above, the Commission decides to approve the Annual Revenue Requirement (ARR) of Rs.6426.46 Crores as against GESCOM's proposal for approving ARR of Rs.7771.08 Crores for FY23. The approved ARR includes an amount of Rs.179.82 Crores, which is approved as the revenue deficit as per APR for FY21, as discussed in Chapter-4 of this Order. The revenue gap for FY23 is as indicated below:

TABLE – 5.35
Revenue gap for FY23

Particulars	FY23
Net ARR including carry forward gap of FY21 (in Rs. Crores)	6426.46
Approved sales (in MU)	7921.91
Average cost of supply for FY23 (in Rs./unit)	8.11
Revenue at existing tariff (in Rs. Crores)	6149.19
Deficit in revenue for FY23 (in Rs. Crores)	**-277.27**

The details of revised retail tariff on the basis of the above ARR is discussed and approved in Chapter-6 of this Order.

Annual Revenue Requirement for FY24 and FY25

As discussed above, the Commission also decides to approve the Annual Revenue Requirement (ARR) of Rs.6458.52 Crores and Rs.6782.99 Crores as against GESCOM's proposal for approving ARR of Rs.6647.19 Crores and Rs.6872.51 Crores for FY24 and FY25 respectively.

CHAPTER – 6

DETERMINATION OF RETAIL SUPPLY TARIFF FOR FY23

6.0 Revision of Retail Supply Tariff for FY23-GESCOM's Proposals and Commission's Decisions:

6.1 Tariff Application

As per the Tariff application filed by the GESCOM, it has projected ARR of Rs.7771.08 Crores with an unmet gap in revenue of Rs.1816.94 Crores for FY23, which also includes a revenue gap of Rs.1169.90 Crores for FY21. To bridge this gap in revenue, GESCOM has proposed to increase of 236 paise per unit, in respect of all the categories of consumers.

In the previous chapters of this Order, the process of Annual Performance Review(APR) for FY21 and the approval of ARR for FY23 has been discussed. The various aspects of determination of tariff for FY23 are discussed in this Chapter.

6.2 Statutory Provisions guiding determination of Tariff

In terms of Section 61 of the Electricity Act, 2003, the Commission is guided inter-alia, by the National Electricity Policy, the Tariff Policy and the following factors, while, determining the tariff so that:

- ✓ the distribution and supply of electricity is conducted on commercial basis;
- ✓ competition, efficiency, economical use of resources, good performance, and optimum investment are encouraged;
- ✓ the tariff progressively reflects the cost of supply of electricity, and also reduces and eliminates cross subsidies in the manner specified by the Commission;
- ✓ efficiency in performance shall be rewarded: and
- ✓ a multi-year tariff framework is adopted.

As per Section 62(5) of the Electricity Act, 2003, read with Section 27(1) of the Karnataka Electricity Reform Act, 1999, the Commission is empowered to specify, from time to time, the methodologies and the procedure to be observed by the licensees in computing the Expected Revenue from Charges (ERC). In pursuance of these statutory provisions and in accordance with the Regulations and Orders issued from time to time, the Commission has determined the Tariff for the year FY23.

6.3 Factors Considered for Tariff setting:

The Commission has kept in view the following factors relevant for determination of retail supply tariff:

a) **Tariff Philosophy**:

As discussed in the earlier Tariff Orders, in respect of consumers whose ability to pay is considered inadequate, the Commission has continued to fix tariff below the average cost of supply and in respect of certain categories of consumers whose ability to pay is considered to be higher, has fixed the tariff at or above the average cost of supply. Thus, the system of cross subsidy has been continued. However, the Commission has taken due care to progressively bring down the cross subsidy levels, as envisaged in the Tariff Policy, 2016 issued by the Government of India.

b) **Average Cost of Supply:**

The Commission has been determining the retail supply tariff on the basis of the average cost of supply. The KERC (Tariff) Regulations, 2000, as amended from time to time, require the licensees to provide the details of embedded cost of electricity voltage / consumer category-wise. The distribution network of Karnataka is such that, it is difficult to segregate the common cost between voltage levels. Therefore, the Commission has decided to continue the average cost of supply approach for recovery of the ARR. With regard to the indication of voltage- wise cross subsidy with reference to the voltage-wise cost of supply, the same is indicated in the Annexure to this Order.

c) **Differential Tariff:**

The Commission has been determining differential retail supply tariff for consumers in urban and rural areas, beginning with its Tariff Order, dated 25th November, 2009. The Commission decides to continue the same in the present order also as the reasons cited for approach continue even now.

6.4 Government's Directions to the Commission under Section 108 of the Electricity Act, 2003.

The Government of Karnataka, in its letter dated 14th March, 2022 has issued the following directions under Section 108 of the Electricity Act, 2003, as per the request of the ESCOMs. The Directions issued by the Government pertain to the following issues:

1. Increase the fixed charges/ demand charges and correspondingly reduce the energy charges for all HT consumers;
2. Allow full transmission charges of PGCIL (towards ISTS charges) in the Annual Revenue Requirement;
3. Allow Fuel and Power Purchase Price Adjustment to as a pass through every quarter of the year instead of present system of Fuel Adjustment Cost(FAC) allowing only variable cost of thermal stations.

Commission's Observations:

As per Section 86(1) (a) of the Electricity Act, 2003(EA, 2003), one of the main functions of the State Electricity Regulatory Commissions is to determine tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail as the case may be, with in the State.

While discharging its functions, the SERCs are guided by the provisions of Section 61 and of Section-62 of the EA, 2003. In terms of these provisions, the Karnataka Electricity Regulatory Commission has issued necessary Regulations to determine the tariff of generation, transmission and distribution companies. Thus the tariff determination by the Commission is being done as per the provisions of Section

61 & 62 of the EA. 2003 and the Regulations framed thereunder by this Commission.

In this context, a reference may be made to the Statement of Objects and Reasons of Electricity Act, 2003 for the purpose of appreciating the legislative intent. The same is as follows:

"1.3 Over a period of time, however, the performance of the State Electricity Boards has deteriorated substantially on account of various factors. For instance, powers to fix tariffs vest with such Electricity Boards, they have generally been unable to take decisions on tariff in a professional and independent manner and tariff determination in practice has been done by the State Governments. Cross subsidies have reached unsustainable levels. To address this issue and to provide for distancing of Government from determination of tariffs, the Electricity Regulatory Commission Act was enacted in 1998. It created the Central Electricity Regulatory Commission and has an enabling provision through which State Governments can create a State Electricity Regulatory Commission…."

In the backdrop of the above regulatory framework, a question would arise as to whether the State Government can issue directions to the State Commission under Section 108 to determine the tariff and whether such a direction is binding on the State Commission. This question is well answered in the following judgements of the Hon'ble ATE and the Hon'ble Supreme Court.

In the Order in Appeal No. Appeal No. 41, 42 and 43 of 2010 Dated: 31st January, 2011 (Polyplex Corporation Limited Vs Uttrakhand Electricity Regulatory Commission & Uttrakhand Power Corporation Ltd.), the Hon'ble ATE has analysed this issue and gave the following findings:

"The State Commission is independent statutory body. Therefore, the policy directions issued by the State Government are not binding on the State Commission, as those directions cannot curtail the power of the State Commission in the matter of determination of tariff. The State Government may

give any such policy direction in order to cater to the popular demand made by the public but while determining tariff the State Commission may take those directions or suggestions for consideration but it is for the State Commission which has statutory duty to perform either to accept the suggestion or reject those directions taking note of the various circumstances. It is purely discretionary on the part of the State Commission on acceptability of the directions issued by the State Government in the matter of determination of tariff.

(The case in the above Appeal pertains to a Governments directive to allocate cheaper power to the subsidized consumers and to allocate costly power to Industrial Consumer. The State Commission had accordingly determined tariff based on the directions of the State Government under Section 108 of the EA, 2003. The tariff order issued by the State Commission was challenged before the Hon'ble ATE and the same was set aside with the above observations).

The Hon'ble ATE has relied on several judgements of Hon'ble Supreme Court and its own judgements while disposing the above Appeal. The extract of some of the said decisions is brought out as under:

1. In the Order of the Hon'ble ATE, in its judgment dated 18.08.2010 in Appeal No. 5/09 has analysed this issue and gave the following findings:

   "It is settled law as laid down by this Tribunal as well as by the Hon'ble Supreme Court, that all the policy directions are not binding on the State Commission since the State Government cannot curtail the powers of State Commission in the matter of determination of tariff ". **xxxxxxxx**

   xxxxxxxxxxx.

2. The Hon'ble Supreme Court in case No. (1995) 3 SCC 295 in Real Food Products Limited Vs. A.P. State Electricity Board, has held as follows:

   "Where the direction of the State Government, as in the present case, was to fix a concessional tariff for agricultural pump-sets at a flat rate per H.P., it does relate to a question of policy which the Board must follow. However, in indicating the specific rate in a given case the action of the State

Government, may be in excess of the power of giving a direction on the question of policy which the Board, if its conclusion be different, may not be obliged to be bound by."

3. The Hon'ble ATE in Appeal No. 4, etc. Of 2005 (SIEL Limited Vs. Punjab State Commission) has analysed this issue and held that: "

   State Commission is an independent authority and its finding is binding on the State Government and not vice versa. "The Appropriate Commission while determining tariff under section 61 of the Act is required to be guided by the factor and parameters enshrined therein. One of the factors on the basis of which tariff is to be determined is the consumer interest. Sub-clause (d) of Section 61 requires the Commission to safeguard the interest of the consumers and ensure that the recovery of the cost of electricity is effected in a reasonable manner. This was also one of the requirements under Section 2(2) of the Act of 1998. The aforesaid provisions of the Act of 2003 and the Act of 1998 are not hedged in with the limitation that in case the State Government or any other authority has allocated an unwarranted cost to the generator or a licensee, it cannot be interfered with, even when such a cost may be imprudent and unjust and not in the interest of the consumers. Otherwise the cost loaded by the State Government on the Board will have to be allowed by the Commission for the purposes of tariff and the ARR of the Board. In case such a limitation is read into the aforesaid provisions, the purpose of the Act including section 63 will be frustrated. Since the Commission has the power to determine the tariff and the ARR of a utility, it has all the incidental and ancillary powers to effectuate the purpose for which the power is vested in it. Consequently, the directions or orders of the Regulatory Commission made for the purpose of determination of tariff and ARR in consonance with the provisions of the Act are binding on all the concerned parties including the State and the Board. There is nothing in section 61 and 62 of the Act of 2003 to show that orders relating to tariff will not bind the State Government. The State is not above law and it is bound to respect the mandate of the legislature. Otherwise tariff determination will not be in consonance with the various factors and parameters specified in section 61. The Commission is an independent statutory body and its

directions being in terms of the Act are definitely binding on the Board whose de jure owner is the State. The ultimate end effect shall be on de jure owner viz. the State of Punjab."

4. The Hon'ble Supreme Court in a case No. 2001 (3) SCC 396 (*Chittor Zilla Vyavasayadarula Sangham Vs. A.P. State Electricity Board & Ors.* has held as follows:

   "It is clear that the Board would not be bound to follow every policy direction. ...... It is for this and other reasons that the statute maintain this Board to maintain the surplus in every year. If it has to perform this statutory obligation, how can it do so, if it follows any such direction which takes it away from it. It is true the Government has to cater to the popular demand in order to earn its legitimate favour, give any such policy direction, but it should have to be within a permissible limit."

From the foregoing decisions of the Hon'ble Supreme Court and the Hon'ble ATE, it is amply clear that the policy directions of the State Government are not binding, in so far as determination of tariff by this Commission is concerned. However, the policy directions by the State Government issued vide its letter dated 14.03.2022 have been considered as suggestions from the stakeholder. The Commission by considering the various issues involved in it and with the object of safeguarding the interest of ESCOMs and the consumers while passing this tariff Order.

While determining the tariff, one of the important guiding factors as per the Section 61 of the EA-2003 is that the Commissions have to balance the interest of consumers and at the same time recovery of the cost of electricity in a reasonable manner.

In the backdrop of the above discussion, the Commission's observation on each of the above issues is as under:

1. Increase in Fixed cost & reduction of Variable Costs:

This is a matter concerning determination of tariff covered under the provisions of Section 61 & Section 62 of the EA and the Regulations framed thereunder, the Commission is mandated to comply with the said provisions.

Historically, the recovery of fixed charges was never given any importance by the then SEB and the ESCOMs when they were constituted.

The Commission, in its earlier Orders, has emphasized the need to recover the fixed costs in the tariff by increasing the monthly rate of fixed / demand charges gradually. It was emphasized that as long as the consumers are drawing the power from the ESCOMs, they are assured of the full cost recovery, in the form of fixed charges and energy charges. However, at present the unrecovered fixed cost are being paid by the consumers in the form of energy charges, and thus, the ESCOMs are allowed recovery of full cost of supply. The question of under recovery of fixed charges would arise only when the consumers opt for Open Access(OA). Hence, it is upto the ESCOMs to retain the HT consumers by supplying quality and uninterrupted power and also by proposing schemes to sell energy at reasonable rates to encourage sales. Instead, the Commission has observed that, even the schemes approved by the Commission are not being implemented fully, in its letter and spirit as pointed out by the consumers during the public hearing.

The proposal to increase the Fixed cost and to reduce the energy charges, has been vehemently opposed by the consumers in the written objections and also during the public hearing. They have contended that the decision to opt for open access is taken based on the total cash outgo towards electricity bill and not based on the rate of energy charges per unit or the fixed charges per KVA. In one of the written objections the Chamber of Commerce & Industries has stated that:

The Chamber wants to bring to the kind notice of the Commission that any increase in fixed charges or increase in tariff will incentivize the consumers of the industrial sector to go for migration to captive options. There are a large *number of industrial consumers who have not reduced the contract demand even after installation of solar generation system and have paid the demand charges for that demand which is not used by them during the period of solar generation.*

There are many industries which are operating in single shift and increase in fixed charges will impose additional financial burden although power will be consumed for 8-12 hours a day. It will result into nearly 60% increase into electricity bills.

It is also stated in the objections that:

In order to prevent HT consumers leaving the Grid, tariff of HT consumers should be reduced by at least 100 paise per unit. There is a clear indication that HT consumers are leaving the grid due to high HT tariff. If HT tariff is not reduced many more HT Consumers may leave. This is a serious matter.

Thus, the consumers have indicated that in case the proposed increase in fixed charges is accepted, they may migrate to captive generation, leave the grid supply and may even reduce the contract demand to save the bill in the form of increased fixed charges. In that case, the ESCOMs may lose even the existing consumers.

The comparison of the fixed charges being levied by other States would not be relevant, as the tariff structure, consumers mix, cost of supply and the finances of those States are not comparable. To address the issue of under-recovery of fixed cost from the consumers availing OA, the Commission introduced new schemes to be implemented which need to be marketed effectively and implemented. Also the Commission has determined the additional surcharge and cross subsidy surcharge in terms of tariff policy, to be recovered from OA consumers, which would partly compensate the loss of ESCOMs.

The Commission notes that until the year 2014, the ESCOMS were not seeking any increase in Fixed charges in the Tariff application. In all the previous tariff applications, increase in energy charges was only sought. Hence, the

Commission, in its Tariff Orders dated 30th March, 2016 and 11th April, 2017, in order to ensure the financial viability of the ESCOMs in the State, had considered the request of the BESCOM to a certain extent in raising the fixed / demand charges as per the provisions of new Tariff Policy dated 28th January, 2016 issued by the Ministry of Power, GOI. The Commission, duly considering the fixed cost in the ARR and the recovery of the same through fixed / demand charges from the consumer in retail supply tariff, has decided to increase the fixed / demand charges gradually to bridge the gap in recovery of fixed cost. Hence, the Commission reiterated its stand that the full cost recovery towards fixed cost shall be achieved by gradual increase in Fixed costs.

In the present proceedings also the ESCOM's request for increase in Fixed cost has been considered and the major portion of the increase in tariff is allowed by increasing the Fixed Charges. Only a very small portion of the revenue gap is considered towards increase in 'Energy Charges'. This has been done with a view to balance the interest of consumers and the ESCOMs in terms of Section 61 of the Electricity Act.

2. Allowing Full Transmission Charges of PGCIL:

The CERC has notified the CERC (Sharing of Inter State Transmission charges & Losses) Regulations, 2020 on 04.05.2020, modifying the methodology for sharing of Inter-State Transmission Charges & Losses. The Commission in its Tariff Order 2021 dated, 09.06.2021, while approving the ARR for FY22, in terms of the above Regulations of CERC has considered the amount claimed by ESCOMs in respect of PGCIL cost as per above CERC norms from the month of November, 2020 onwards, and allowed the reasonable transmission charges payable to PGCIL. In the present MYT Order, in terms of the CERC Regulations. The Commission has estimated and allowed full transmission charges for the transmission lines commissioned as on the date of filing of Tariff application, which is subject to truing up while carrying out the Annual Performance Review for the relevant year.

3. Allowing full power purchase Price Adjustments instead of allowing only the difference in Variable Cost:

The Commission has notified the KERC (Fuel Cost Adjustment Charges) Regulations, 2013 and is determining the FAC in terms of the above Regulations, which provides for Recovery of variation in variable charges (Fuel cost). Meanwhile, BESCOM has filed an Appeal before the Hon'ble ATE in Appeal No: 80 of 2016 for allowing full difference in power purchase cost. Subsequently, without making any reference to the pendency of the Appeal filed before the Hon'ble Tribunal on the said issue, BESCOM has filed a petition before this Commission in OP No: 13 of 2020-21. The decisions in the said cases are awaited. As soon as the pending cases are disposed of, the matter will be considered by the Commission in terms of the orders and regulations.

6.5 New Tariff Proposals:

1. Proposal to increase Demand charges for HT consumers:

GESCOM in its filing has submitted that, the introduction of open access, has been successful in promoting competition, with the distribution licensee by providing consumer to access for alternative source of power. GESCOM in its filing has submitted the emergence of the following issues in the operationalization of Open Access.

a. GESCOM is not able to manage power procurement efficiently due to frequent of shifting of Open Access consumer between GESCOM and other sources of power.
b. Cross subsidy surcharge calculated by the Commission and its recovery is insufficient to recover the entire loss of cross subsidy.
c. Group Captive consumers are exempted from payment of cross subsidy surcharges and additional surcharge. Actual consumption by each of the group captive users is calculated only at the end of the year. In case of non-compliance of the conditions of group captive, the consumer enjoy the benefit till the end of the year in turn results in financial loss to GESCOM/ESCOMs.

d. Under two part tariff mechanism, the total expenditure of distribution, company can be decided in to two parts Viz., Fixed Cost and Variable Cost based on Marginal costing principles, which envisages recovery of fixed cost in full which is termed as contribution, followed by recovery of variable cost. Accordingly, the loss area, break-even point profit area and margin of safety are computed to ascertain the performance and impact.

The Fixed expenses of GESCOM is 54% and variable expenditure is 46% of the total cost. The revenue realization through retail power tariff should have been in the same proportion.

The Fixed/demand charges and energy charges recovered for FY21 is 12% and 88% respectively. Since the contribution towards fixed charges is only 12% of average realization rate, balance 42%(54%-12%) is recovered from variable cost. Hence the energy charges seem to be on the higher side. This is the foremost reason for tapping of HT consumer by private generators. This composition of cost recovery also has an impact on cross subsidy amount. If there is any reduction in sales under HT category the loss an account of fixed charges is to a large extent i.e. 42% and this will further worsen the cross subsidy levels.

Further, tariff determination does not consider the inbuilt rebate. As the fixed charges recovery is inadequate, GESCOM has to borrow some amount to meet its working capital requirement to discharge its fixed liabilities. Increasing tariff by increasing the energy charges consumption instead of fixed/demand charges would result in steep fluctuation in revenue with varying consumption over time. It would also affect GESCOMs ability to meet the fixed charges obligation.

Hence, GESCOM has requested for increasing the fixed charges for HT consumer per month per KVA to charge reflective proportion of fixed cost and helps in developing competence to participation in open market to attract consumers.

GESCOM in its application has submitted that the proposed revised demand charges and energy charges, to avoid consumer opt for open access, as under:

Abstract		
1	Exclusive OA Consumers	4
2	Exclusive W&B Consumers	22
3	Both OA & W&B Consumers	12

Hence it is proposed/requested for increasing the fixed charges for HT consumer per month per KVA to avoid the loss of fixed charges.

Proposed Demand charges per KVA per month by GESCOM is as under:

Category	Existing Demand (As per Tariff Order 2021	Proposed demand Charges for FY23
HT-1	230/KVA	530/KVA
HT-2(a)	240/KVA	540/KVA
HT-2(b)	260/KVA	560/KVA
HT-2(c)	240/KVA	540/KVA
HT-3(a)(i)	1720 / HP/Annum	2020/ HP/Annum
HT - 3b	1780 / HP/Annum	2080/ HP/Annum
HT-4	155/KVA	455/KVA
HT-5	300/HP	600/HP

The GESCOM has requested the Commission to increase the demand charges at least for HT consumer. This, in turn helps GESCOM, the competence to participate in the open market to attract the consumers.

To substantiate the proposed change in structure of tariff, GESCOM has collected the details of demand charges prevailing in other States. (Madhya Pradesh Kerala, Andhra Pradesh, Tamil Nadu, Maharashtra (Mahadiscom), Telangana, Gujrat (Dakshin Gujrat Vij Company Limited)

Commission's Analysis and Decision:

The Commission, in its earlier Orders, has been emphasizing the need to recover the fixed costs in the tariff by increasing the monthly rate of fixed costs gradually. As long as the consumers is drawing the power from the GESCOM, the GESCOM is assured of the full cost recovery, in the form of demand charges and energy charges. The question of under recovery of fixed charges would arise only when the consumers opt for Open Access(OA).

To address the issue of under-recovery of fixed cost from the consumers availing the OA, the Commission has extended the scheme of Special Incentive Scheme and Discounted Energy Rate Scheme for consumers who are willing to buy / use energy from GESCOM over and above their normal requirement. The rate at which the energy being offered under these schemes, is likely to ensure that the consumers who opt for open access, will come back to GESCOM grid supply, as availing power from Open Access will be comparatively costlier than the energy being offered under these schemes. Besides, to discourage the consumers from opting for Open Access, the Commission has specified payment of Additional Surcharge, to be recovered from OA consumers, towards under-recovery of fixed costs for the portion of energy not sold by the ESCOM, due to the consumers availing the OA. Further the decision to avail OA by the consumers is dependent on the total cash outgo towards electricity bills and not necessarily on the basis of variable/energy charges of energy supplied by GESCOM. Hence, the Commission would like reiterate its stand that the full cost recover towards fixed cost shall be achieved over a period of time by gradual increase in the fixed costs and not immediately.

In order to retain the HT Consumers, GESCOM shall make wide publicity of the schemes approved by the Commission and promote sales by encouraging the consumers who come forward to avail the schemes approved by the Commission.

Further, as per the provisions of the Electricity Act 2003 the ESCOMs should realise the cost of supply from all the category of consumers and should not confine themselves with the recovery of increased fixed cost only to specific categories of consumers. Mere increasing fixed charges/demand charges and reducing energy charges to HT consumers does not appears to be a proper approach to retain HT/EHT/Open Access consumers.

During the public hearing the industrial consumers have opposed the proposal of GESCOM to substantially increase the fixed cost. They have expressed their dissatisfaction over ESCOM's lacklustre attitude in promoting the incentive schemes to the consumers. It is stated that instead of initiating steps to approach the consumers to promote sales, ESCOMs expects that consumers should come forward to avail the schemes approved by the Commission. It was also pointed that whenever they have tried to approach ESCOM, they have found lack of encouragement to help them in availing the power supply at incentivised rates.

The Comparison of the recovery of Fixed costs in other States is not appropriate, since the cost components in other States will vary accordingly to generation mix, geographical considerations subsidy commitment from Government and the overall economic conditions prevailing in the States. In Karnataka historically, the thrust was more on recovery of energy charges rather than the fixed charges. The Commission has been taking initiative in increasing the rate of recovery of fixed cost so as to ensure its full recovery over a period of time rather than increasing them substantially in one go.

The Commission notes that one of the major reasons for consumers opting for open access is the frequent interruptions in power and the poor reliability in supply of power to consumers. ESCOMs are advised to improve the power reliability by reducing interruptions and by reducing distribution losses, It should maximise its revenues. The Commission also directs GESCOM to minimise / avoid the O&M expenses, (Employee Cost, R&M expenses and A&G expenses) as expenses under this is on the increasing trend every year besides controlling the unwarranted capital expenditure. By exercising proper control over these expenditure, GESCOM can reduce its ARR requirement and gap in revenue and ultimately results in reduction in cost of supply and retail supply tariff to the consumers.

In view of the above, the Commission has is not in favour of substantially increasing the fixed cost and reduce the energy cost. The Commission has considered appropriate increase of fixed charges to all the consumers, so as to ensure gradual increase in the fixed costs as envisaged in the Tariff Policy of the GoI.

2. Special Incentive Scheme(SIS):

GESCOM in its application has submitted that, the Commission in its Tariff Order 2018, dated 14.05.2018 had introduced a Special Incentive Scheme in an attempt to bring back the EHT/HT consumers who are availing power through open access. In the Tariff Order 2021, this scheme has been continued during FY22.

In the said incentive scheme, rebate of Re.1/unit for the consumption over and above the base consumption during 10:00 hrs to 18:00 hrs and rebate of Rs.2/unit during 22:00 hrs to 06:00 hrs is extended. Further The Commission in the Tariff Order-2021, dated:09.06.2021 had reduced the Time of Day tariff for the period from December to June and for the period from July to November no Time of Day tariff as the state has surplus power situation.

Further the ESCOMs have stated that as at the end of September-2021, 54 HT/EHT Consumer have opted for Special Incentive Scheme.

GESCOM has requested the commission to Continue Special incentive scheme for further year. However, the Incentive/Rebate to be paid may be fixed at Re.1/ unit for the consumption over and above the base consumption during 22:00 Hrs to 06:00 Hrs only.

Commission's Analysis & Decision:

The Commission has examined the proposal made by GESCOM and the submissions made by other ESCOM's to continue the Special Incentive Scheme, though some of the ESCOMs have requested for withdrawal of the scheme in the context of its request for substantial increase in the rate of fixed charges by reducing the energy charges in the original application. The Commission note that all the ESCOMs during the public hearing have requested the Commission to continue the scheme for another year.

The Commission, after careful consideration of the submission made by GESCOM and other ESCOMs and the request made by the industries during the public hearings on the tariff applications, decides to continue the Special Incentive Scheme with the existing terms and conditions as approved in the Tariff Order,2018 dated 14.05.2018 for one more year w.e.f 01.04.2022. The Special Incentive Scheme benefit is also extended for the OA consumers who consume energy from the ESCOMs by limiting the benefit to the energy drawn from ESCOMs only.

This incentive scheme will not be applicable to the consumers who apt for Discounted / Reduced tariff of Rs.6 per (DERS) Scheme.

The Commission also directs ESCOMs to take up an intensive campaign to encourage more industrial consumer to opt for the scheme.

3. Discounted Energy Rate Scheme:

GESCOM in its tariff application has submitted that, the Commission, in its Tariff Order 2021, in order to bring back HT/EHT consumers who are availing power through Open Access, has approved Discounted Energy Rate Scheme from July 21 to March 22 for FY22 for the energy consumed over and above the average /base consumption, as the State was having surplus power.

The said scheme is beneficial to HT consumer who are consuming their energy from private generation rather than procuring from ESCOMs. For computing base/average consumption, ESCOMs energy only is considered. Since, GESCOM and other ESCOMs has proposed for increasing the demand charges for HT consumers by simultaneously reducing the energy charges and the proposed charges are very competitive, GESCOM and other ESCOMs have requested to discontinue the DERS Scheme in the original applications. Subsequently, ESCOMs including GESCOM during the public hearing on the tariff application has requested the Commission for continuation of the scheme for another year.

Commission's Analysis and Decision:

The Commission has initially introduced the DERS in order to enable the ESCOMs to sell surplus energy available during monsoon months, in view of the fact that during monsoon, the demand for energy comes down drastically besides availability of abundant renewable energy from hydro and wind sources. The scheme was further extended up to the end of March, 2022, as per the request of ESCOMs. This has resulted in increased sale of energy which other-wise would have either been not utilized or would have been sold through power exchanges at much lower rates.

The Commission notes that ESCOMs have not properly marketed the Discounted Energy Scheme. In order to increase the sales, ESCOMs shall resort to aggressive marketing of its scheme and shall make use of every opportunity to improves its sales.

The Commission notes that number of HT consumers have availed this scheme and the ESCOMs in the State have been able to sell sizable power and earned additional revenue. The Commission also notes that, during the public hearing on the tariff application filed by the ESCOMs, many HT consumer / Association / Federation have requested for continuation of the scheme throughout year during the FY23.

GESCOM and other ESCOMs have not substantiated its request for discontinuation of the DERS and has not made any analysis to justify the discontinuation of the scheme inspite of sizable number of HT consumers opting for this scheme in GESCOM. Due to good monsoon during the previous calendar year, the surplus situation is likely to continue for FY23 as well. Hence, in order to utilize the surplus energy during FY23, the Commission decides to continue the DERS for the entire period during FY23 in all the ESCOMs, as per the existing terms and conditions.

4. Incentive for Prompt Payment of Power Purchase Bills:

GESCOM in it application has submitted that, the Power Generators allow rebate for prompt payment of power purchase bills. The Incentive/rebate so availed is accounted as Income and shown under Other Income. The Commission is allowing GESCOM to retain only 10% of the Incentive/rebate amount and balance amount is passed on to consumers in the retail tariff.

GESCOM has also submitted that, it is making prompt payment of power purchase bills to earn rebate in spite of severe cash crunch problems, has requested the Commission to allow incentive to be retained by the Company in full. Allowing incentive amount earned in full to be retained by GESCOM would encourage making prompt payment in all cases and avail the benefit of incentive. Further, this would avoid late payment charges to the extent possible. Such incentive amount would be considered as Internal Resources and utilized appropriately. Hence, GESCOM has requested the Commission to allow incentive to be retained in full.

Commission's Analysis and Decision:

The Commission, in its earlier Tariff Orders has considered 10% of the rebate amount received towards prompt payment from the generator to be retained by the ESCOMs. This is being allowed in addition to interest on working capital borrowed for making payment towards power purchase bills.

It is to be pointed out that, as per the audited accounts for FY21, it is observed that GESCOM has not availed full working capital in order to meet the day to day cash flow requirement. Had it availed the working capital as per the norms, it would have enabled GESCOM to pay much of its current liabilities and earned more incentive. In the absence of raising the required working capital, GESCOM has met the current liabilities from the revenue realised from the consumers. Hence, there is no merit in claiming retention of the100% incentive earned by paying the power purchase bills from revenue realised from consumers and therefore, the Commission decides to continue to share 10% of rebate amount with GESCOM and the balance to consumer in retail tariff.

5. Interest on delay in payment of electricity bills by Consumers:

GESCOM, in its filing has submitted that, during FY20-21, due to Covid 19 Pandemic, the recovery of electricity bills from consumers was not normal and instructions were there not to enforce recovery proceedings and levy interest for the delayed payment. Further Instalment facility for payment of bills by consumers was also extended during the Pandemic period.

GESCOM has extracted the decision of the Commission as under

"In view of the prevailing lockdown situation due to Covid -19 Pandemic, the arrears towards revision of Tariff for the energy consumed during the month of April and May, 2021, is ordered to be recovered during the month of October and November, 2021 respectively, without charging any interest.

As a result, there is loss of interest on additional revenue due to tariff revision for the months of April and May 2021 deferred to October and November, 2021.

The delayed payment of electricity bills will attract interest of 1% PM or 12% p.a. as per the prevailing norms. On the other hand, GESCOM has to pay late payment charges to Power Generators at the rate of 1.5% to 2% PM or 18% to 24% p.a.

GESCOM has further submitted that on one side, there was steep decrease in revenue collections and the delayed payment of bills by consumers attract 1% p.m interest but on the other hand, ESCOMs were forced to pay 2% interest as late payment charges to Power Generators for delayed payment. This difference in rate of interest also affected the cash flow of ESCOMs. Further there is loss of interest on additional revenue due to tariff revision for the months of April and May 2021 deferred to October and November, 2021.

Hence, GESCOM has requested the Commission to approve levying of 2% interest on delayed payment of electricity bills by consumers during FY23 as a special case to mitigate the loss to some extent.

Commission's Analysis and Decision:

GoK Energy Department in its order dated 08.05.2020, in order to mitigate the impact of Covid in respect of MSME/Non MSME/ industrial sector and to the other categories of consumers had issued various reliefs and one of them is relief on interest for belated payment. **Hence, the financial implication of the concessions extended by the Government may be worked out and claimed as subsidy from the Government. GESCOM shall also pursue recover of the same from the Government.**

As regards payment of the interest at 1% on revenue arrears, the same is being charged as per the provisions of the Conditions of Supply(CoS). If the same is found to be inadequate, GESCOM shall have to seek amendments to the relevant clauses of the Conditions of Supply by filing suitable Petition before the Commission.

6. Interest on delay in payment to Generators:

GESCOM has submitted that the delayed payment of power purchase bills to Power Generators attracts 1.5% to 2% interest as late payment charges as per the terms and conditions of the PPA. However, the Commission has not allowed late payment charges if any, on the ground that GESCOM is supposed to collect their revenue demand in full and discharge the liabilities in full in time.

Due to Covid-19 pandemic, the energy sales in FY 21 impacted in the first half of the year. Due to lockdown and restrictions, the industrial and commercial establishments were shut down for almost 6 months. Consequently, there was steep decrease in revenue demand as well as collections. There was loss of cross subsidy amount also during this period as these consumers were contributing the same.

GESCOM has also submitted that, there was an overall reduction in the sale of energy by 2.53% during FY21 over the previous year. The sale of energy under HT category has reduced to 1251.05 MU as compared to 1445.72MU in the previous year.

Further, GESCOM has submitted that as on September 2021, GESCOM owes Rs.2679.40 Crores overdue amount, which was not cleared even after 45 days of grace period to the Generators and for that the Generators charge penal interest on that amount.

GESCOM has submitted that due to the COVID pandemic during 2020-21, GESCOM has realised Rs.656.14 Crores less than the approved revenue. This shortfall in revenue ultimately resulted in default in payment of power purchase bills and high-level payments owed to generation companies (GENCOs).

Hence, GESCOM has requested the Commission to allow the interest on belated payment to generators for 2020-21 as a special case to help GESCOM tide over the cash crunch problem.

Commission's Analysis & decision:

The Commission notes that, during the previous years and also in FY21 as per the audited accounts, GESCOM has not availed full working capital in order to meet the day to day cash flow requirement. Had it availed the working capital as per the norms, it would have enabled GESCOM to pay much of its current liabilities. In the absence of raising the required working capital, GESCOM has met the current liabilities from the revenue realised from the consumers.

The Commission has been allowing the interest on working capital to enable ESCOMs to borrow short-term funds and meet its current liabilities towards power purchase bills and other working capital needs.

The Commission has allowed the total ARR including the power purchase cost to be recovered from the consumers through the retails supply tariff. Accordingly, by realising the approved revenue and also by availing the working capital, it can settle the power purchase bills in time. Further, the Commission notes that for the non- realisation of revenue in full and non-availment of the required working capital and payment of power purchase thereon in time, Generators have claimed the interest on belated payment. If GESCOM had realised the approved revenue in full and availed the working capital loan as per the norms and manage its cash management efficiently, it would have enabled it to pay much of its current liabilities and avoid payment of interest on power purchase dues. When GESCOM do not realise the revenue in full and not availed full working capital to meet the day-to-day cash flow requirement, the Commission is not in a position to allow interest on belated power purchase payments separately.

7. Carrying cost on 'Deficit determined in APR carried over to the ARR of the next Financial Year:

- GESCOM has submitted that, the Commission has carryforwarded the surplus/deficit if any determined during APR of a financial year to the year next to the following year and include in the ARR of that year.
- Accordingly, GESCOM has carried forward the revenue deficit of Rs.1169.90 Crores determined as per APR for FY21 and included in ARR of FY 23. The Commission has carry forwarded such deficit and included in ARR of the next following year without any carrying cost. Logically, this amount has been incurred by GESCOM in FY 21 and recovery of the same would be in FY23. The deferment of such deficit amount has significant impact on GESCOM's financials in meeting its revenue obligations in relevant financial year without any source of income as the same is recovered through tariff after a gap of more than one year. Time value of money in the entire process need to be considered.
- KERC considers and allows carrying cost on 'Regulatory Asset' recognized in the Tariff Order and factored into the ARR. Deficit carried forward after truing up is similar to Regulatory Asset for which also carrying cost needs to be considered.
- Even the Interest on Working Capital is allowed by KERC as per norms and not based on actuals. The interest on Working Capital for meeting shortfall in revenue (which would be considered subsequently) will not be considered. Further, even if the interest is covered in ARR subsequently, the repayment of borrowings for working capital without any additional source will be a burden on GESCOM and affect the cash flow adversely.
- GESCOM is not able to avail short-term loan or overdraft easily due to poor financial condition depicted in the financial statement.

- Other impact of such carried forward method is impact on surplus of the Company which has an effect on Reserve and Surplus. Since RoE is determined considering Reserve & Surplus also, RoE would be allowed less by KERC as deficit (gap) would have resulted in negative financial results in that particular year.

Hence, the GESCOM has requested the Commission to consider for allowing carrying cost on deficit determined in Annual Review of Performance and carried forward to the ARR of the year next to the following year to mitigate the loss of revenue.

Commission's Analysis & Decisions:

As per the provisions of MYT Regulations, the Annual Performance Review (APR) of a year is done considering the actual income and expenditure as per the audited accounts. While doing so, the actual expenses are being regulated as per the MYT norms. While the uncontrollable expenses are being allowed as per the actuals and the controllable expenses are regulated as per MYT Regulations. The net deficit or surplus found after the Annual Performance Review is being carried forward to the ARR of the subsequent year, which is being approved and tariff increase thereon is approved along with the ARR of the respective years. In the process, the shortfall for the year gets included in the ARR of the next year and allowed to be recovered in the revised tariff. Thus, the recovery of the shortfall, starts in the immediate next year in the revised tariff after the availability of the audited accounts. Hence, the question of allowing carrying cost on the shortfall does not arise.

The MYT Regulations, which are in vogue since 2006 do not provide for allowing carrying cost for the shortfall found during the APR. The ESCOMs are expected to regulate the controllable expenses and bring in efficiency. Also, there is no provision to pass on the costs of non-achievement of the efficiency factors as prescribed in the MYT Regulations. Hence, the Commission is unable to accept the request to allow carrying cost on the deficit found in APR.

8. Removal of ToD Tariff for usage of Power during Evening Peaks:

During the course of Public hearing held by the Commission to hear the stakeholders on the tariff application filed by the ESCOMs, the representatives of the Industries and Commerce and KASSIA have requested the Commission to examine the removal of the evening peak ToD tariff, in view of the surplus power situation in the State.

It may be noted here that the evening peak ToD was introduced to reduce the demand from HT consumers and other consumers during the evening peak hours between 18.00 Hrs. to 22.00 Hrs., in view of the power shortage situation which was existing till financial year 2016-17. Consequent on commissioning of new thermal stations by KPCL & NTPC and large scale penetration of wind and solar power generation, the state is in a power surplus situation. Due to adequate solar and wind power availability, the supply to IP sets has been partially scheduled during the day time between 9.00 Hrs. to 17.00 Hrs. This has resulted in the shifting of evening peak to morning/afternoon peak between 10.00 Hrs. to 17.00 Hrs.

During the tariff exercise for revision of Tariff for FY22, the Commission had examined the request for removal of evening peak ToD in view of the surplus power situation and to encourage increased power consumption by HT consumers.

In order to ascertain the feasibility of doing away with evening peak ToD tariff, the KPTCL/SLDC and the ESCOMs were requested to analyze the system constraints in supplying unrestricted power during evening peak hours besides furnishing necessary data for taking a view in the matter.

During the previous tariff exercise, before taking a decision on the relaxation of ToD tariff for usage of power in the evening, the Commission had consulted the KPTCL, SLDC and ESCOMs. The KPTCL had stated that during the evening peak between 18.00Hrs to 22.00 Hrs., the State can meet the peak demand upto 12000 MW with the available hydel, RE and thermal generation capacity and if it exceeds 12000 MW there will be power deficit situation.

The SLDC had also furnished projection of availability and demand for the period from March, 2021 to January, 2022, wherein the maximum demand during 18.00 Hrs to 22.00 Hrs was projected between 7200 MW to 11000 MW.

On an analysis of the data furnished by the SLDC, it was found that during the period from October, 2019 to January, 2021, the maximum demand during 18.00 Hrs to 22.00 Hrs was ranging between 7100 MW to 10,000 MW and that it had never exceeded 12000 MW during the said period.

Based on the above analysis of the data furnished by KPTCL, SLDC and other ESCOMs, the Commission had found that there was no system constraint to relax the power consumption during evening peak (ToD period) to the HT Consumers between 18.00 Hrs. to 22.00 Hrs., with the condition that there will be reduced supply of power to IP sets during the monsoon period from July to November. However, the ToD tariff approved by the Commission, in that Order was made applicable from December to June.

With a view to consider the Consumers' request to relax the ToD tariff during FY23 as well, the Commission desired to review the matter considering the latest position of demand and supply after interactions with KPTCL, SLDC and BESCOM. Hence a meeting of these stakeholders was convened on 11.03.2022 and the issue was discussed in detail.

KPTCL informed the Commission that the maximum demand recorded on 1st of March, 2022 was 14759 MW. Further, it is anticipated the peak demand during the summer months may reach over 15500 MW.

The SLDC informed the Commission that the peak load is being observed during 10.00 hours to 12 .00 hours of the day, due to usage of power during the morning hours by IP sets. The availability of generation is 11,457MW and the maximum demand met during 18.00 hours to 22.00 hours from April, 2021 to March, 2022 is 11,149 MW, which is restricted demand.

As regards managing the peak in the evening peak, the State requires additional firm power of around 500 MW capacity in order to avoid overdrawal between 18.00 hours to 22.00 hours to meet the demand. In case the ToD tariff for usage during evening peak hours is relaxed, it is likely that the industrial consumers/ OA consumers will use more of grid power since, the power from the power market will be very high during the summer months. The usage by the industrial / OA consumers will affect the grid frequency and the state may face paying penalty for overdrawal / frequency variation. Hence, it may not be advisable to relax the evening peak usage during non-monsoon months. However, the existing relaxation during monsoon months (July to November) could be continued.

The Commission notes that the peak demand from mid-January, 2022 onwards has exceeded 13500 MW and on 4th March, 2022 the peak demand was 14759MW. Consequently, it is likely that there will be peak shortages during the months from January to July, 2022 in view of ensuing summer. As there is no additional capacity is expected in either hydro or thermal generation capacity during this year, the peak demand has to be met with the existing capacities only. Hence, removal of TOD tariff with penalty for usage of power during peak hours of January, 2022 to July 2022 may not be advisable in the interest of Grid Management.

Hence, the Commission decides to continue the existing ToD Tariff by levy of penalty for usage of power during evening peak hours from December, 2022 to June, 2023 and to continue the relaxation of ToD Tariff during the monsoon months i.e. from July, 2022 to November, 2022.

Other Issues:

Reduction of Fixed Charges / Demand Charges and Energy Charges to Ice manufacturing units / Cold storage plants used for Fisheries purpose during Off-Season:

During the course of public hearing, the consumers using power for Ice manufacturing unit / Cold storage plant for the purpose of fisheries have represented that the retail supply tariff for the power supply to Ice manufacturing units / fisheries' cold storage plants are quite high making the fishing industry un-sustainable, when compared with the electricity tariff of the neighbouring States. Further, these industries are not operational throughout the year. As these industries are a seasonal industry and during non-seasonal period they are using the power only for maintenance of the plants and for watch and ward.

The Commission takes note of the energy consumption and numbers of such installations in the State. As these industries have been accorded with the status of 'Seasonal Industry', the Commission has extended benefits of seasonal industry during the off season period by reducing the fixed charges by 25% of the normal fixed charges under LT-5 Tariff category and reducing the billing demand by 50% under HT tariff category. However, these consumers have requested the Commission to extend further concession through reduction in the retail supply tariff / concessional fixed / demand charges during Off-Season period.

After examining the issue in detail and considering the plight of these seasonal industrial consumers, the Commission has decided to charge at the following rates subject to fulfilment of the seasonal industry condition stipulated in this Tariff Order (Specified under Para No.24 of the General Terms and Conditions of tariff (applicable to both LT and HT):

(i) **LT-5 Category:**

a. 25% of normal applicable fixed charges during the off-season period.
b. Energy charges at the approved rates for the energy consumed during the month off season period.

(ii) HT Category:

a. The monthly charge during off season period shall be Demand charges on the maximum demand recorded during the month or 85% of the CD, whichever is higher at 50% of the approved demand charges.
b. Energy charges at approved rates for the energy consumed during month.

(iii) For both LT and HT Category

In addition to the above concession in the Fixed charges/demand charges, the Commission decides to extend further concession in the energy charge by Re.1 per unit for the energy consumption made during the year.

The above concession extended under (ii) and (iii) is applicable to the installations of Ice manufacturing units / cold storage plants used for fisheries purpose, situated in the coastal belt area of Karnataka State within a radius of 5 Kms. from Sea only.

For other industries under both LT and HT category the seasonal industry concession as per the General Condition applicable to both LT/HT at Sl.No.26 and the conditions applicable to billing of LT at Sl. No.26 and HT at Sl.No.9 (a) (b) and (c)shall be applicable.

10. Revenue at existing tariff and deficit for FY23:

The Commission, in the preceding Chapters, has decided to carry forward the deficit in revenue of Rs.179.82 Crores of FY21 to the ARR of FY23. The net gap in revenue of Rs.277.27 Crores for FY23 is proposed to be filled up by revision of Retail Supply Tariff, as discussed in the following paragraphs of this Chapter.

Considering the approved ARR for FY23 and the revenue as per the existing tariff, the resultant gap in revenue for FY23 is as follows:

Revenue Deficit for FY23

Rs. in Crores

Particulars	Amount
Approved Net ARR for FY23 including deficit of FY21	6426.46
Revenue at existing tariff	6149.19
(-)Deficit	-277.27
Additional Revenue to be realised by Revision of Tariff	**277.27**

Accordingly, the Commission now proceeds to determine the revised Retail Supply Tariff for FY23. The category-wise tariff as existing, as proposed by GESCOM and as approved by the Commission are as follows:

6.6 Category wise Existing, Proposed and Approved Tariffs:

1. LT-1 Bhagya Jyothi:

The existing tariff and the tariff proposed by GESCOM are as given below:

Sl. No	Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
1	Energy charges (including recovery towards service main charges)	774 Paise / Unit Subject to a monthly minimum of Rs.60 per installation per month.	869 Paise / Unit

Commission's Decision:

The Government of Karnataka has continued its policy of providing free power to all BJ/KJ consumers with a single outlet, whose consumption is not more than 40 units per month, vide Government Order No. EN12 PSR 2017 dated 20th March, 2017. Based on the present average cost of supply, the tariff payable by these **BJ/KJ consumers is revised to Rs.8.11 per unit**.

Further, the ESCOMs have to claim subsidy for only those consumers who consume 40 units or less per month per installation. If the consumption exceeds 40 units per month or if any BJ/KJ installation is found to have more than one outlet, it shall be billed as per the Tariff Schedule LT 2(a).

Accordingly, the Commission determines the tariff (CDT) in respect of BJ / KJ of GESCOM installations as follows:

LT – 1 Approved Tariff for BJ / KJ installations

Commission determined Tariff	Retail Supply Tariff determined by the Commission
811 paise per unit, subject to a monthly minimum of **Rs.70** per installation per month.	-Nil-* Fully subsidized by GoK

***Since GOK is meeting the full cost of supply to BJ / KJ installations, the Tariff payable by these consumers is shown as nil. However, if the GOK does not release the subsidy in advance, a Tariff of Rs.8.11 per unit subject to a monthly minimum of Rs.70 per installation per month, shall be demanded and collected from these consumers by GESCOM.**

2. LT2 - Domestic Consumers:

GESCOM's Proposal:

The details of the existing and proposed tariff under this category are given in the Table below:

Proposed Tariff for LT-2 (a)

LT-2 a (i) Domestic Consumers Category

Applicable to areas coming under City Municipal Corporations and all other Urban Local Bodies

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed Charges per Month	For the first KW Rs.85	For the first KW Rs.95
	Rs.95 for every additional KW upto and inclusive of 50 KW	Rs.105 for every additional KW upto and inclusive of 50 KW
	Rs.150 for every additional; KW above 50 KW	Rs.160 for every additional; KW above 50 KW
Energy Charges upto 50 units per month (0-50 units) - life line Consumption	0 to 50 units:405 paise/unit	0 to 50 units: 500 paise / unit
Energy Charges in case the consumption exceeds 50 units per month	51 to 100 units:555 paise / unit	51 to 100 units: 650 paise / unit
	101 to 200 units:710 paise /unit	101 to 200 units:805 paise/ unit
	Above 200 units:815 paise /unit	Above 200 units: 910 paise / unit

LT-2(a)(ii) Domestic Consumers Category
Applicable to Areas under Village Panchayats

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed charges per Month	For the first KW Rs.70	For the first KW Rs.80
	Rs.85 for every additional KW upto and inclusive of 50 KW	Rs.95 for every additional KW upto and inclusive of 50 KW
	Rs.140 for every additional; KW above 50 KW	Rs.150 for every additional; KW above 50 KW
Energy Charges upto 50 units per month (0-50 units) - life line Consumption	Upto 50 units: 395 paise /unit	0 to 50 units: 490 paise/unit

Energy Charges in case the consumption exceeds 50 units per month	51 to 100 units:525 paise / unit	51 to 100 units: 620 paise/ unit
	101 to 200 units: 680 paise /unit	101 to 200 units: 775 paise /unit
	Above 200 units: 765 paise /unit	Above 200 units: 860 paise / unit

Commission's Decision:

The Commission also decides to continue with the existing slab system of billing the energy consumption and fixed charges and continue with the two-tier tariff structure in respect of domestic consumers as detailed below:

(i) Areas coming under Municipal Corporations and all other Urban Local Bodies.

(ii) Areas under Village Panchayats.

The Commission approves the tariff for this category as follows:

Approved Tariff for LT 2 (a) (i) Domestic Consumers Category:

Applicable to Areas coming under City Municipal Corporations and all other Urban Local Bodies

Details	Tariff approved by the Commission
Fixed charges per Month	For the first KW: Rs.100
	Rs.110 for every additional KW up to and inclusive of 50 KW
	Rs.175 for every additional KW above 50 KW
Energy Charges up to 30 units per month (0-30 units)- (Life line consumption).	Up to 50 units: 410 paise/unit
Energy Charges in case the consumption exceeds 30 units per month	51 to 100 units: 560 paise/unit
	101 to 200 units: 715 paise/unit
	Above 200 units: 820 paise/unit

Approved Tariff for LT-2(a) (ii) Domestic Consumers Category: Applicable to Areas under Village Panchayats

Details	Tariff approved by the Commission
Fixed Charges per Month	For the first KW: Rs.85
	Rs.100 for every additional KW up to and inclusive of 50 KW
	Rs.160 for every additional KW above 50 KW
Energy Charges up to 30 units per month (0-30 Units)- (Life line consumption).	Up to 50 units: 400 paise/unit
Energy Charges in case the consumption exceeds 30 units per month	51 to 100 units: 530 paise/unit
	101 to 200 units: 685 paise/unit
	Above 200 units: 770 paise/unit

LT2 (b): Private and Professional Educational Institutions, Private Hospitals and Nursing Homes:

GESCOM's Proposal:

The details of the existing and the proposed tariff under this category are given in the Table below:

LT 2 (b) (i)Applicable to areas under City Municipal Corporations Areas and all other urban Local Bodies

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed Charges per Month	Rs.100 Per KW subject to a minimum of Rs.125 per month up to and inclusive of 50 KW	Rs.110 Per KW subject to a minimum of Rs.135 per month up to and inclusive of 50 KW
	Rs.155 per KW for every additional KW above 50 KW	Rs.165 per KW for every additional KW above 50 KW
Energy Charges	For the first 200 units: 725 paise per unit	For the first 200 units: 820 paise per unit
	Above 200 units: 850 paise per unit	Above 200 units: 945 paise per unit

LT 2 (b)(ii) Applicable to Areas under Village Panchayats

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed Charges per Month	Rs.90 per KW subject to a minimum of Rs.110 per Month up to and inclusive of 50 KW	Rs.100 per KW subject to a minimum of Rs.120 per Month up to and inclusive of 50 KW
	Rs.145 per KW for every additional KW above 50 KW	Rs.155 per KW for every additional KW above 50 KW
Energy Charges	For the first 200 units: 670 paise per unit	For the first 200 units: 765 paise per unit
	Above 200 units: 795 paise per unit	Above 200 units: 890 paise per unit

Commission's decision:

The Commission decides to continue with existing slab system of billing the energy consumption and the fixed charges and continue with the two-tier tariff structure as follows:

(i) Areas coming under City Municipal Corporation and all urban local bodies.

(iii) Areas under Village Panchayats.

Approved Tariff for LT 2 (b) (i):

Private Professional and other private Educational Institutions, Private Hospitals and Nursing Homes

Applicable to areas under City Municipal Corporations and all other urban Local Bodies.

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs.120 per KW subject to a minimum of Rs.150 per Month up to and inclusive of 50 KW
	Rs.175 per KW for every additional KW above 50 KW
Energy Charges	Upto 200 units: 730 paise/unit
	Above 200 units: 855 paise/unit

Approved Tariff for LT 2 (b) (ii)

Private Professional and other private Educational Institutions, Private Hospitals and Nursing Homes
Applicable to Areas under Village Panchayats

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs.110 per KW subject to a minimum of Rs.135 per Month upto and inclusive of 50 KW
	Rs.165 per KW for every additional KW above 50 KW
Energy Charges	Up to 200 units: 675 paise/unit
	Above 200 units: 800 paise/unit

3. LT3- Commercial Lighting, Heating& Motive Power:

GESCOM's Proposal:

The existing and proposed tariff are as follows:

LT- 3 (i) Commercial Lighting, Heating & Motive Power
Applicable to Areas coming under City Municipal Corporation and all other urban local bodies

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed charges per Month	Rs.105 per KW upto and inclusive of 50 KW	Rs.115 per KW upto and inclusive of 50 KW
	Rs.205 per KW for every additional KW above 50 KW	Rs.215 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:835 paise per unit	For the first 50 units: 930 paise per unit
	For the balance units:935 paise per unit	For the balance units: 1030 paise per unit

Demand Based Tariff (optional) where sanctioned load is above 5 KW but below 150 KW.

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed charges	Rs.120 per KW upto and inclusive of 50 KW	Rs.130 per KW upto and inclusive of 50 KW
	Rs.220 per KW for every additional KW above 50 KW	Rs.230 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:835 paise per unit	For the first 50 units: 930 paise per unit
	For the balance units:935 paise per unit	For the balance units: 1030 paise per unit

LT-3 (ii) Commercial Lighting, Heating & Motive

Applicable to areas under Village Panchayats

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed Charges per Month	Rs.95 per KW upto and inclusive of 50 KW	Rs.105 per KW upto and inclusive of 50 KW
	Rs.195 per KW for every additional KW above 50 KW	Rs.205 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:785 paise per unit	For the first 50 units: 880 paise per unit
	For the balance units:885 paise per unit	For the balance units: 980 paise per unit

Demand Based Tariff (optional) where sanctioned load is above 5 KW but below 150 KW

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed Charges per Month	Rs.110 per KW upto and inclusive of 50 KW	Rs.120 per KW upto and inclusive of 50 KW
	Rs.210 per KW for every additional KW above 50 KW	Rs.220 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:785 paise per unit	For the first 50 units: 880 paise per unit
	For the balance units : 885 paise per unit	For the balance units: 980 paise per unit

Commission's Decision:

As decided in the previous Tariff Order, the Commission decides to continue with existing slab system of billing the energy consumption and the fixed charges and continue with the two-tier tariff structure as follows:

(i) Areas coming under City Municipal Corporations and other urban local bodies.
(ii) Areas under Village Panchayats.

Approved Tariff for LT- 3 (i) Commercial Lighting, Heating & Motive Applicable to areas under City Municipal Corporations and other Urban Local Bodies

Details	Approved by the Commission
Fixed Charges per Month	Rs.125 per KW upto and inclusive of 50 KW
	Rs.230 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units: 840 paise/ unit
	For the balance units: 940 paise/unit

Approved Tariff for Demand Based Tariff (Optional) where sanctioned load is above 5 kW but below 150 kW

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs.140 per KW upto and inclusive of 50 KW
	Rs.245 **per KW for every additional KW above 50 KW**
Energy Charges	For the first 50 units: 840 paise /unit
	For the balance units: 940 paise/unit

Approved Tariff for LT-3 (ii) Commercial Lighting, Heating and Motive

Applicable to areas under Village Panchayats

Details	Approved by the Commission
Fixed charges per Month	Rs.115 per KW upto and inclusive of 50 KW
	Rs.220 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units: 790 paise per unit
	For the balance units: 890 paise per unit

Approved Tariff for Demand Based Tariff (Optional) where sanctioned load is above 5 kW but below 150 kW

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs. 130 per KW upto and inclusive of 50 KW
	Rs.235 **per KW for every additional KW above 50 KW**
Energy Charges	For the first 50 units:790 paise per unit
	For the balance units: 890 paise per unit

4. LT4-Irrigation Pump Sets:

GESCOM's Proposal:

The existing and proposed tariff for LT4 (a) are as follows:

LT-4 (a) Irrigation Pump Sets
Applicable to IP sets up to and inclusive of 10 HP

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed charges per Month	Nil	
Energy charges	CDT 638 paise per unit	CDT 913 paise per unit

Commission's Decision:

The Government of Karnataka has extended free supply of power to farmers as per the Government Order No. EN 55 PSR 2008 dated 04.09.2008. As per this policy of GoK, the entire cost of supply to IP sets up to and inclusive of 10 HP is being borne by the GoK through tariff subsidy. In view of this, all the consumers under the existing LT-4(a) tariff are covered under fully subsidised supply of power.

Considering the cross subsidy contribution from categories other than IP Sets and BJ/KJ Categories, the Commission determines the tariff for IP Sets under LT4(a) category as follows:

Approved CDT for IP Sets for FY23

Sl. No.	Particulars	GESCOM
1	Approved ARR in Rs. Crores	6426.46
2	Sales to BJ/KJ installations – MU	249.77
3	Sales to IP set installations – MU	3173.13
4	Sales to other than BJ/KJ and IP set installations in MU	4499.01
5	**Total Sales in MU (2 + 3 + 4)**	7921.91
6	Average Cost of supply in Rs. Per unit (1 / 5 *10) without Regulatory Assets	8.112
7	Cost of supply – other than IP sets / BJ/KJ sales (6 * 8 / 10) in Rs. Crores	3649.67
8	Revenue from other than IP & BJ/KJ installations in Rs. Crores	4120.11
9	Cross subsidy from other than IP & BJ/KJ installations in Rs.Crores (8 - 7)	470.44
10	Cost of supply to BJ/KJ installations in Rs.Crores (2 * 6 /10)	202.56
11	Revenue from sales to BJ/KJ installations in Rs.Crores	202.56
12	Cost of supply to IP sets sales in Rs.Crores (3 * 6 /10)	2574.23
13	Revenue to be collected from IP set installations (12 - 9)	2103.79
14	Approved sales to IP set in MU	3173.13
15	**Commission determined tariff (CDT) for IP set category for FY23 in Rs. Per unit (15 / 14 * 10)**	**6.63**

Accordingly, the Commission decides to approve tariff of Rs.6.63 per unit as CDT for FY23 for IP Set category under LT4 (a). In case the GoK does not release the subsidy in advance, the tariff of Rs.6.63 per unit shall be demanded and collected from these consumers.

Approved by the Commission

LT-4 (a) Irrigation Pump Sets

Applicable to IP sets up to and inclusive of 10 HP

Details	Tariff approved by the Commission
Fixed charges per Month Energy charges	*Nil**
CDT (Commission Determined Tariff): 663 paise per unit	

***In Case the GoK does not release the subsidy in advance, in the manner specified by the Commission in clause 6.1 of the KERC (Manner of Payment of Subsidy) Regulations,2008, CDT of Rs.6.63 per unit shall be demanded from these consumers.**

The Commission has been issuing directives to ESCOMs including GESCOM for conducting Energy Audit at the Distribution Transformer Centre (DTC)/feeder level for proper assessment of distribution losses and to enable detection and prevention of commercial loss. In view of completion of 1st Phase and 2nd phase and reasonable progress of 3rd phase in implementation of feeder segregation under NJY scheme, the ESCOMs including GESCOM were also directed to submit IP set consumption on the basis of the meter readings of the 11 kV feeders at the sub-station level duly deducting the energy losses in 11kV lines, distribution transformers & LT lines, in order to compute the consumption of power by IP sets accurately. Further, in the Tariff Order, 2016, the ESCOMs including GESCOM were also directed to take up enumeration of IP sets, 11 KV feeder-wise by capturing the GPS co-ordinates of each live IP set in their jurisdiction. In this regard, the Commission has noted that the GESCOM has not fully complied with these directions and have initiated measures to achieve full compliance. The GESCOM need to ensure early full compliance as this has direct impact on their revenues and tariff payable by other categories of consumers.

The Government of Karnataka, in the budget for the financial year 2022-23, has allocated an amount of Rs.12,000 Crores for the subsidized supply to BJ/KJ and IP sets installations in accordance with the Policy of the Government in the matter of free supply to BJ/KJ consumers (consuming up to 40 Units) and IP sets consumers with a sanctioned load of 10 HP and below. Accordingly, the

Commission is of the view that, to tide over the present precarious financial situation, the ESCOMs need to minimise their subsidy requirement to the extent of amount of subsidy provided in the budget by restricting the power supply to IP installations.

The Commission notes that, as per the provisions of the Electricity Act, 2003 and the Policy of the State Government to supply free power to BJ/KJ installations (consuming up to 40 Units per month) and IP Sets installations having sanctioned load of 10 HP and below, the Government has to fully meet the cost of such subsidized supply. The Commission makes it clear that any short fall in subsidy on account of increase in the IP sales beyond the sales approved by the Commission will not be passed on to the GoK unless there is any consent /commitment from the GoK and also on to the other consumers, who are already paying tariffs with high level of cross subsidies. Any increase on such higher tariff of other consumers would correspondingly increase the cross subsidy levels, which would be against the provisions of the Electricity Act and the Tariff Policy, that emphasize gradual reduction in cross subsidy at a level not exceeding plus or minus 20% of the cost of supply.

Under the circumstances, the Commission directs the ESCOMs as follows:

The ESCOMs including GESCOM shall manage supply of power to the IP sets for the FY23, to ensure that it is within the quantum of subsidy committed by the GoK. While doing so, they shall procure power proportionate to such supply. In case the ESCOMs choose to supply power to the IP sets in excess of IP Sales approved by the Commission as per the written consent /commitment from the GOK or to the quantum of amount of subsidy made available by the GoK for FY23, the difference in the amount of subsidy relating to such supply shall be claimed from the GoK. If the difference in subsidy is not paid by the GoK, the same shall be collected from the IP set consumers.

In case the ESCOMs choose to supply power to the IP sets in excess of IP Sales approved by the Commission without obtaining the consent /commitment from the GoK, the consequential short fall in subsidy will not be passed on to the GoK and also the short fall in revenue will not be passed on to the other consumers.

LT4 (b) Irrigation Pump Sets above 10 HP:

GESCOM's Proposal

The Existing and GESCOM proposed tariff for LT-4(b) are as follows:

LT-4 (b) Irrigation Pump Sets:
Applicable to IP Sets above 10 HP.

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed charges per Month	Rs.90 per HP	Rs.190 per HP
Energy charges for the entire consumption	385 paise per unit	660 paise per unit

The existing and proposed tariff for LT4(c) are as follows:

LT-4 (c) - Applicable to Private Horticultural Nurseries, Coffee, Tea & Rubber plantations.

Details	Existing as per 2020 Tariff Order	Proposed by GESCOM
Fixed charges per Month	Rs.80 per HP	Rs.180 per HP
Energy charges for the entire consumption	385 paise per unit	660 paise per unit

Approved Tariff:

The Commission decides to revise the tariff in respect of these categories as shown below:

LT-4 (b) Irrigation Pump Sets:
Applicable to IP Sets above 10 HP

Details	Tariff approved by the Commission
Fixed charges per Month	Rs.110 per HP
Energy charges for the entire consumption	390 paise/unit

LT-4(c)- Applicable to private Horticultural of Nurseries, coffee, Tea and Rubber Plantations.

Approved Tariff:

The Commission decides to revise the tariff in respect of LT4(c) category as under:

LT4(c) - Applicable to Horticultural Nurseries, Coffee, Tea &Rubber plantations

Fixed charges per Month	Rs.100 per HP
Energy charges	390 paise / unit

5. LT5 Installations-LT Industries:

GESCOM's Proposal:

The existing and proposed tariffs are given below:

LT-5 (a) LT Industries:

Applicable to areas under City Municipal Corporation

i) Fixed charges

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed charges per Month	i) Rs. 75 per HP for 5 HP & below ii) Rs. 85 per HP for above 5 HP & below 40 HP iii) Rs. 105 per HP for 40 HP & above but below 67 HP iv)Rs. 170 per HP for 67 HP & above but below 100 HP v) Rs.200 per HP for 100 HP and above	i) Rs. 205 per HP for 5 HP & below ii) Rs. 215 per HP for above 5 HP & below 40 HP iii) Rs. 235 per HP for 40 HP & above but below 67 HP iv)Rs. 300 per HP for 67 HP & above but below 100 HP v) Rs.330 per HP for 100 HP and above

Demand Based Tariff (Optional)

Details	Description	Existing Tariff as per 2021 Tariff Order	Proposed by GESCOM
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.100 per KW of billing demand	Rs.230 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.130 per KW of billing demand	Rs.260 per KW of billing demand
	67 HP and above but below 100 HP	Rs.220 per KW of billing demand	Rs.350 per KW of billing demand
	100 HP and above	Rs.230 per KW of billing demand	Rs.360 per KW of billing demand

ii) Energy Charges

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
For the first 500 units	580 paise per unit	530 paise/ unit
For next 500 units	680 paise per unit	630 paise /unit
For the balance unit	710 paise per unit	660 paise /unit

LT-5 (b) LT Industries:

Applicable to all areas other than those covered under LT-5(a)

i) Fixed charges

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed Charges per Month	i)Rs.65 per HP for 5 HP & below ii) Rs.80 per HP for above 5 HP & below 40 HP iii) Rs.100 per HP for 40 HP & above but below 67 HP iv)Rs.155 per HP for 67 HP & above but below 100 HP v) Rs.185 per HP for 100 HP and above	i)Rs.195 per HP for 5 HP & below ii) Rs.210 per HP for above 5 HP & below 40 HP iii) Rs.230 per HP for 40 HP & above but below 67 HP iv)Rs.285 per HP for 67 HP & above but below 100 HP v) Rs.315 per HP for 100 HP and above

Demand Based Tariff (optional)

Details	Description	Existing Tariff as per 2021 Tariff Order	Proposed by GESCOM
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.95 per KW of billing demand	Rs.225 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.125 per KW of billing demand	Rs.255 per KW of billing demand
	67 HP and above but below 100 HP	Rs.210 per KW of billing demand	Rs.340 per KW of billing demand
	100 HP and above	Rs.220 per KW of billing demand	Rs.350 per KW of billing demand

ii) Energy Charges:

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
For the first 500 units	570 paise per unit	520 paise/ unit
For the next 500 units	665 paise per unit	615 paise/ unit
For the balance units	695 paise per unit	645 paise/ unit

Existing ToD Tariff for LT5 (a) & (b): At the option of the consumers:

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Proposed ToD Tariff for LT5 (a) & (b): At the option of the consumers

ToD Tariff

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

1. Time of Day Tariff:

The decision of the Commission in its earlier Tariff Orders, providing for mandatory Time of Day Tariff for HT2(a), HT2(b) and HT2(c) consumers with a contract demand of 500 KVA and above, is continued. The existing optional ToD will continue for HT2(a), HT2(b) and HT2(c) consumers with contract demand of less than 500 KVA. Further, for LT5 and HT1 consumers, the existing optional ToD is continued.

During the public hearing on the ESCOMs tariff application, many of the micro and small scale industrial consumer and the representative of the Association / Federation have expressed the difficulties faced by the industries due to various measures and restriction imposed during lockdown period by the GOI / GOK on account of Pandemic Covid-19 during last two years and requested the Commission to extend some concession in the tariff to survive in the industrial business particularly during the present economic slowdown period.

The Commission, by considering the submission made by various stakeholders, in order to mitigate the financial difficulties faced by the Micro and Small Scale industries particularly during the present economic slowdown period on account of Covid-19 pandemic and with the hope that the economic conditions would gradually pick up, decides to allow a Rebate of 50 Paise per unit in the approved Energy Charges for the electricity consumed from the first metering date falling on or after 1st April,2022 for a period of 12 months **only to Micro and Small Scale Industries covered under LT-5(a) and LT-5(b) category as certified by the Government of Karnataka.**

The Commission also decides to continue with the existing two tier tariff structure as follows:

i) LT5 (a): For areas falling under Municipal Corporations

ii) LT5 (b): For areas other than those covered under LT5 (a) above.

Approved Tariff:

The Commission approves the tariff under LT 5 (a) and LT 5 (b) is as given below:

Approved Tariff for LT 5 (a):
Applicable to areas under City Municipal Corporations

i) Fixed charges

Details	Tariff approved by the Commission
Fixed Charges per Month	i) Rs.90 per HP for 5 HP & below ii) Rs.100 per HP for above 5 HP & below 40 HP iii)Rs.125 per HP for 40 HP & above but below 67 HP **iv)Rs.190 per HP for 67 HP & above but below 100 HP** **v) Rs.225 per HP for 100 HP and above**

Demand Based Tariff (optional)

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.120 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.155 per KW of billing demand
	67 HP and above but below 100 HP	Rs.240 per KW of billing demand
	100 HP and above	Rs.255 per KW of billing demand

ii) Energy Charges

Details	Tariff approved by the Commission
For the first 500 units	585 paise/unit
For the next 500 units	685 paise/ unit
For the balance units	715 paise/unit

Approved Tariff for LT 5 (b):

Applicable to all areas other than those covered under LT-5(a)

i) Fixed charges

Details	Tariff approved by the Commission
Fixed Charges per Month	i) Rs.80 per HP for 5 HP & below. ii) Rs.95 per HP for above 5 HP & below 40 HP. iii) Rs.120 per HP for 40 HP & above but below 67 HP. **iv)Rs.175 per HP for 67 HP & above but below 100 HP** **v) Rs.210 per HP for 100 HP and above**

Demand Based Tariff (optional)

Details	Description	Tariff Approved by the Commission
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.110 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.145 per KW of billing demand
	67 HP and above but below 100 HP	Rs.230 per KW of billing demand
	100 HP and above	Rs.245 per KW of billing demand

Ii) Energy Charges

Details	Tariff approved by the Commission
For the first 500 units	575 paise/unit
For the next 500 units	670 paise/unit
For the balance units	700 paise/unit

Note: The Commission in order to mitigate the financial crisis faced due to present economic slowdown in the State on account of pandemic Covid-19, decides to allow a Rebate of 50 Paise per unit in Energy Charges for the electricity consumed from the first metering date falling on or after 1st April,2022 for a period of 12 months only to Micro and Small Scale Industries as Certified by the Government of Karnataka falling, under LT-5(a) and LT-5(b) tariff category.

As discussed earlier in this chapter the approved ToD Tariff for LT5 (a) & (b): At the option of the consumers is as under:

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	**0**
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	**From July to November (monsoon period) - 0** **From December to June (+) 100 paise per unit**
22.00 Hrs to 06.00 Hrs	**From July to November (monsoon period) - 0** **From December to June (-) 100 paise per unit**

6. LT-6 Water Supply Installations and Street Lights:

GESCOM's Proposal:

The existing and the proposed tariffs are given below:

LT-6(a): Water Supply

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed charges per Month	Rs.95/HP/month up to 67 HP Rs.195/ HP/Month above 67 HP for every additional HP	Rs.245/HP/month up to 67 HP Rs.345/ HP/Month above 67 HP for every additional HP
Energy charges	495 paise/unit	795 paise/unit

LT-6 (b): Public Lighting

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed charges per Month	Rs.110/KW/month	Rs.260/KW/month
Energy charges without LED bulbs	660 paise/unit	960 paise/unit
Energy charges for LED / Induction	**555 paise/unit**	**855 paise/unit**

LT-6 (c)- Electric Vehicle Charging Stations (For Both LT & HT)

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
Fixed /Demand charges per KW /KVA	For LT - Rs.70 /KW/month up to 50 KW For LT- Rs.170/KW/Month for every additional KW above 50 KW For HT –Rs.200/KVA/month	For LT - Rs.220 /KW/month up to 50 KW For LT- Rs.320/KW/Month for every additional KW above 50 KW For HT –Rs.350/KVA/month
Energy charges (for both LT & HT)	**500 paise/unit**	For LT & HT - **800 paise/unit**

Existing ToD Tariff

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	**0**
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	**From July to November (monsoon period) - 0** **From December to June (+) 100 paise per unit**
22.00 Hrs to 06.00 Hrs	**From July to November (monsoon period) - 0** **From December to June (-) 100 paise per unit**

Proposed ToD Tariff

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	**0**
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	**From July to November (monsoon period) - 0** **From December to June (+) 100 paise per unit**
22.00 Hrs to 06.00 Hrs	**From July to November (monsoon period) - 0** **From December to June (-) 100 paise per unit**

Commission's Decision:

The Commission decides to continue with the existing system of billing the energy consumption and the fixed charges and approves the tariff for these categories as follows:

Approved Tariff for LT6(a) & (b)

Tariff Approved by the Commission for LT-6 (a): Water supply

Details	Tariff Approved by the Commission Approved Tariff
Fixed Charges per Month	Rs.110 /HP/month upto 67 HP **Rs.215/HP/Month for every additional HP above 67 HP**
Energy charges	500 paise/unit

Tariff Approved by the Commission for LT-6 (b): Public Lighting

Details	Tariff Approved by the Commission
Fixed charges per Month	Rs.125 /KW/month
Energy charges	665 paise/unit
Energy charges for LED / Induction Lighting	560 **paise/unit**

Approved Tariff by the Commission for LT-6 (c) Electric Vehicle Charging Stations* and Battery Swapping Stations* (For Both LT & HT)

Tariff Approved by the Commission for LT-6(c)- Electric Vehicle Charging Stations* / Battery Swapping Stations*

Details	Approved Tariff
LT- (Low Tension) Fixed charges per KW	Rs.70 /KW/month up to 50 KW Rs.170 / KW / Month for every additional KW above 50 KW
HT (High Tension): Demand Charge per KVA	For HT - Rs.200 /KVA/month
Energy charges (for both LT & HT)	500 paise/unit

** Defined as per MoP's Guidelines & Standards on "Charging Infrastructure for Electric Vehicles"*

As decided in the earlier Tariff Order, the Commission decides to continue, the approved ToD Tariff for LT6 (c) tariff schedule applicable for the power supply availed under HT supply for charging Electric Motor Vehicle in the Depots of BMTC / Depots of KSTRC / NEKRTC / NWKRTC.

ToD Tariff

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	**0**
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

7. **LT 7- Temporary Supply & Permanent supply to Advertising Hoardings:**

GESCOM's Proposal:

The existing rate and the proposed rate are given below:

Tariff Schedule LT-7(a)
Applicable to Temporary Power Supply for all purposes.

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
a) Less than 67 HP:	Energy charge at 1110 paise per unit subject to a weekly minimum of Rs.250 per KW of the sanctioned load.	Energy charge at 1110 paise per unit subject to a weekly minimum of Rs.250 per KW of the sanctioned load.

TARIFF SCHEDULE LT-7(b)

Applicable to power supply to Hoardings & Advertisement boards on Permanent connection basis.

Details	Existing as per 2021 Tariff Order	Proposed by GESCOM
a) Less than 67 HP:	Fixed Charge Rs.125 per KW/ month of the sanctioned load.	Fixed Charge Rs.125 per KW/ month of the sanctioned load.
	Energy charge at 1110 paise per unit	Energy charge at 1110 paise per unit

Commission's decision:

As decided in the previous Tariff Order, the tariff specified for installations with sanctioned load / contract demand above 67 HP shall continue to covered under the HT temporary tariff category under HT5.

With this, the Commission decides to approve the tariff for LT-7 category as follows:

TARIFF SCHEDULE LT-7(a)

Tariff approved to Temporary Power Supply for all purposes.

LT 7(a)	Details	Tariff approved by the Commission
Temporary Power Supply for all purposes.	**Less than 67 HP:**	Energy charges at 1120 paise / unit subject to a weekly minimum of Rs.275 per KW of the sanctioned load.

TARIFF SCHEDULE LT-7(b)

Tariff approved to Hoardings & Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the interest of public such as Police Canopy Direction boards, and other sign boards sponsored by Private Advertising Agencies / firms on permanent connection basis.

LT 7(b)	Details	Tariff approved by the Commission
Power supply on permanent connection basis	Less than 67 HP:	Fixed Charges at Rs.150 per KW / month
		Energy charges at 1120 paise / unit

H.T. Categories:

Time of Day Tariff (ToD)

The Commission decides to continue with the mandatory Time of Day Tariff for HT2 (a), HT-2(b) and HT2(c) consumers with a contract demand of 500 KVA and above. Further, the optional ToD will continue as existing for HT2 (a), HT-2(b) and HT2 (c) consumers with contract demand of less than 500 KVA. ToD Tariff at the option is applicable to the HT installations availing of power supply for charging Electric Motor Vehicle in the Depots of BMTC and KSRTC / NEKRTC / NWKRTC Depots. The details of ToD tariff are indicated under the respective tariff categories.

The increase in billing demand to 85% of the CD, is hereby continued for billing of all the HT installations.

8. HT1- Water Supply & Sewerage

GESCOM's Proposal:

The existing and proposed tariff are as given below:

The Existing and the proposed tariff – HT-1 Water Supply and Sewerage Installations

Details	Existing tariff as per 2021 Tariff Order	Proposed Tariffs by GESCOM
Demand charges	Rs.230 / kVA of billing demand / month	Rs.530 / kVA for billing demand / month
Energy charges	555 paise per unit	755 paise per unit

Existing ToD tariff to HT-1 tariff to Water Supply & Sewerage installations at the option of the consumer

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	**From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit**
22.00 Hrs to 06.00 Hrs	**From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit**

Proposed ToD Tariff to HT-1 category:

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	**From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit**
22.00 Hrs to 06.00 Hrs	**From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit**

Commission's decision:

As discussed earlier in this Chapter, the Commission approves the tariff for HT 1 Water Supply & Sewerage category as below:

Details	Tariff approved by the Commission for HT-1
Demand charges	Rs.250 / kVA of billing demand / month
Energy charges	560 paise/ unit

As discussed earlier in this Chapter, the approved ToD tariff to HT-1 tariff to Water Supply & Sewerage installations at the option of the consumer is as follows:

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 hours	**0**
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	**From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit**
22.00 Hrs to 06.00 Hrs	**From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit**

9. HT2 (a) – HT Industries

GESCOM's Proposal:

The existing and proposed tariff are as given below:

HT – 2 (a) HT Industries
Applicable to all areas of GESCOM

Details	Existing tariff as per Tariff Order 2021	Proposed Tariff by GESCOM
Demand charges	Rs.240 / kVA of billing demand / month	Rs. 540 / kVA of billing demand / month
Energy charges (i) For the first one lakh units (ii) For the balance units	 730 paise per unit 755 paise per unit	 630 paise per unit 655 paise per unit

Railway traction under HT2 (a).

Details	Existing tariff as per Tariff order 2021	Tariff Proposed by GESCOM
Demand charges	Rs. 250 / kVA at billing demand / month	Rs. 550 / kVA of billing demand / month
Energy charges	655 paise per unit for all the units	555paise per unit for all the units

Effluent Treatment Plants independently serviced outside the premises of any installation under HT2(a)

Details	Existing tariff as per Tariff order 2021	Proposed by GESCOM
Demand charges	Rs. 250 / kVA at billing demand / month	Rs. 550 / kVA of billing demand / month
Energy charges	695 paise per unit for all the units	595 paise per unit for all the units

Existing ToD Tariff for HT-2(a)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Proposed ToD Tariff for HT-2(a)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Commission's Decision:

Commission continues to allow billing of the electricity consumed by the effluent treatment plants and Drainage Water Treatment plants from the main meter or by sub-meter, at the same tariff schedule as applicable to the HT installations for which the power supply is availed.

Approved Tariff for HT – 2 (a):

As discussed earlier in this chapter, the Commission approves the tariff for HT 2(a) category as below:

Applicable to all areas under GESCOM

Details	Tariff approved by the Commission
Demand charges	Rs.265 / kVA of billing demand / month
Energy charges	
For the first one lakh units	735 paise/ unit
For the balance units	760 paise/ unit

As discussed earlier of this Chapter, the approved ToD tariff to HT2(a) tariff.

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 hours	**0**
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next day)	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Note: ToD Tariff is not applicable to Railway Traction installations.

iii) Railway Traction under HT2(a)

Details	Tariff approved by the Commission
Demand charges	Rs.275 / kVA of billing demand / month
Energy charges	660 paise / unit for all the units

The Commission, by considering the concessional tariff extended to the Railway traction, decides that Special Incentive Scheme and ToD tariff shall not be extended to the Railway traction installations. However, they are eligible to avail the new "Discounted Energy Rate Scheme".

iv) Effluent Treatment Plants independently serviced outside the premises of installation under HT2(a)

Details	Tariff approved by the Commission
Demand charges	Rs.275/ kVA of billing demand / month
Energy charges	700 paise / unit for all the units

Note: The ToD tariff is applicable to these installations, if the Special Incentive Scheme (SIS) is not opted.

10. HT-2 (b) HT Commercial

GESCOM's Proposal:

The existing and proposed tariff are as given below:

Existing and proposed tariff HT – 2 (b) HT Commercial

Applicable to all areas of GESCOM

Details	Existing tariff as per Tariff Order 2021	Tariff Proposed by GESCOM
Demand charges	Rs.260 / kVA of billing demand / month	Rs.560 / kVA of billing demand / month
Energy charges		
(i) For the first two lakh units	900 paise per unit	800 paise per unit
(ii) For the balance units	910 paise per unit	810 paise per unit

Existing ToD Tariff for HT-2(b)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	**From July to November (monsoon period) - 0** **From December to June (+) 100 paise per unit**
22.00 Hrs to 06.00 Hrs (Next Day)	**From July to November (monsoon period) - 0** **From December to June (-) 100 paise per unit**

Proposed ToD Tariff for HT-2(b)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Commission's Decision:

The Commission as approved in its Tariff Order 2019 dated 30th May,2019, decides to include all the activities listed under LT3 tariff schedule shall also be considered to be billed under HT2(b) tariff schedule by including the additional nomenclature - 'all the activities listed under LT3 tariff schedule and not included under HT2(b) tariff schedule shall be classified under HT-2(b), if they avail power under HT supply'.

The Commission approves the following tariff for HT 2 (b) consumers:

Approved tariff for HT-2(b) –HT Commercial

Applicable to all areas of GESCOM

Details	Tariff approved by the Commission
Demand charges	Rs.290 / kVA of billing demand / month
Energy charges	
(i) For the first two lakh units	905 paise per unit
(ii) For the balance units	915 paise per unit

As discussed in this Chapter, the approved ToD Tariff to HT2(b) is as follows:

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 hours	**0**
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next day)	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

11. HT – 2 (c) – Applicable to Hospitals and Educational Institutions:

The existing and proposed tariff are given below:

Existing and proposed tariff for HT – 2 (c) (i)

Applicable to Government Hospitals & Hospitals run by Charitable Institutions & ESI Hospitals and Universities, Educational Institutions belonging to Government, Local Bodies and Aided Educational Institutions and Hostels of all Educational Institutions

Details	Existing tariff as per Tariff Order 2021	Tariff Proposed by GESCOM
Demand charges	Rs.240 / kVA of billing demand / month	Rs.540 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	715 paise per unit	615 paise per unit
(ii) For the balance units	755 paise per unit	655 paise per unit

Existing and proposed tariff for HT – 2 (c) (ii) –

Applicable to Hospitals and Educational Institutions other than those covered under HT2(c) (i)

Details	Existing tariff as per Tariff Order 2021	Proposed by GESCOM
Demand charges	Rs. 240 / kVA of billing demand / month	Rs. 540 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	815 paise per unit	715 paise per unit
(ii) For the balance units	855 paise per unit	755 paise per unit

Existing ToD Tariff for HT-2(c)(i) & (ii)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Proposed ToD Tariff for HT-2 HT-2(c)(i) & (ii)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Commission's Decision:

The Commission approves the following tariff for HT2(c) consumers.

Approved tariff for HT – 2 (c) (i)

Applicable to Government Hospitals, Hospitals run by Charitable Institutions, ESI Hospitals, Universities and Educational Institutions belonging to Government& Local Bodies, Aided Educational Institutions and Hostels of all Educational Institutions

Details	Tariff approved by the Commission
Demand charges	Rs.260 / kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	720 paise per unit
(ii) For the balance units	760 paise per unit

Approved tariff for HT – 2 (c) (ii)

Applicable to Hospitals/Educational Institutions other than those covered under HT2(c) (i)

Details	Tariff approved by the Commission
Demand charges	Rs.265 / kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	820 paise per unit
(ii) For the balance units	860 paise per unit

The approved ToD Tariff to HT2(c) (i) & (ii) is as under:

As discussed earlier in this Chapter approved ToD Tariff to HT-2(c) (i) & (ii) is as follows:

Time of day	**Increase (+) / reduction (-) in the energy charges over the normal tariff applicable**
06.00 Hrs. to 10.00 Hrs	**0**
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	**From July to November (monsoon period) - 0** **From December to June (+) 100 paise per unit**
22.00 Hrs to 06.00 Hrs(Next day)	**From July to November (monsoon period) - 0** **From December to June (-) 100 paise per unit**

12. HT-3(a) Lift Irrigation Schemes under Government Departments / Government owned Corporations/ Lift Irrigation Schemes under Private/Societies:

The existing and proposed tariff are as follows:

Existing and proposed tariff for HT – 3 (a) –Lift Irrigation Schemes:

HT 3(a) (i) Applicable to LI Schemes under Government Departments / Government owned Corporations

Details	Existing charges as per Tariff Order 2021	Proposed charges by GESCOM
Energy charges/ Minimum charges	310 paise / unit Subject to an annual minimum of Rs.1720 per HP / annum	510 paise / unit Subject to an annual minimum of Rs. 2020 per HP / annum

HT 3(a) (ii) Applicable to Pvt. LI Schemes and Lift Irrigation Societies: fed through Express / Urban feeders

Details	Existing Tariff as per Tariff Order 2021	Proposed by GESCOM
Fixed charges	Rs.95 / HP / Month of sanctioned load	Rs.395 / HP / Month of sanctioned load
Energy charges	310 paise / unit	510 paise / unit

HT 3(a) (iii) Applicable to Pvt. LI Schemes and Lift Irrigation Societies: other than those covered under HT-3 (a)(ii)

Details	Existing Tariff as per Tariff Order 2021	Proposed by GESCOM
Fixed charges	Rs.75 / HP / Month of sanctioned load	Rs.375 / HP / Month of sanctioned load
Energy charges	310 paise / unit	510 paise / unit

Commission's Decision:

The Commission approves the following tariff for HT3(a) consumers:

Approved tariff for HT 3 (a) (i)

Applicable to LI schemes under Government Department/Government owned Corporations

Details	Tariff approved by the Commission
Energy charges / Minimum charges	315 paise/ unit subject to an annual minimum of Rs.1900 per HP / annum

Approved tariff for HT 3 (a) (ii)

Applicable to Private LI Schemes and Lift Irrigation Societies fed through express / urban feeders

Details	Tariff approved by the Commission
Fixed charges	Rs.110 / HP / Month of sanctioned load
Energy charges	315 paise / unit

Approved tariff for HT 3 (a) (iii)
Applicable to Private LI Schemes and Lift Irrigation Societies other than those covered under HT 3 (a) (ii)

Details	Tariff approved by the Commission
Fixed charges	Rs.90 / HP / Month of sanctioned load
Energy charges	315 paise / unit

13. HT3 (b) Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Coconut & Arecanut Plantations:

GESCOM's Proposal:

The existing and the proposed tariff are as follows:

HT3 (b)- Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Coconut & Arecanut Plantations:

Details	Existing Tariff Order 2021	Proposed tariff by GESCOM
Energy charges / minimum charges	510 paise / unit subject to an annual minimum of Rs.1780 per HP of sanctioned load	710 paise / unit subject to an annual minimum of Rs.2080 per HP of sanctioned load

Commission's Decision:

The Commission approves the tariff for this category as indicated below:

Approved Tariff

HT3 (b)- Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Rubber, Coconut & Arecanut Plantations:

Details	Tariff approved by the Commission
Energy charges / minimum charges	515 paise / unit subject to an annual minimum of Rs.1960 per HP of sanctioned load

14. HT4- Residential Apartments/ Colonies:

GESCOM's Proposal:

The existing and the proposed tariff for this category are given below:

HT – 4 Applicable to all areas.

Details	Existing Tariff Order 2021	Tariff Proposed by GESCOM
Demand charges	Rs.155 / kVA of billing demand	Rs.455 / kVA of billing demand
Energy charges	700 paise per unit	900 paise/ unit

Commission's Decision:

As discussed earlier in this chapter, the Commission approves the tariff for this category as indicated below:

Approved tariff
HT – 4 Residential Apartments/ Colonies Applicable to all areas

Details	Tariff approved by the Commission
Demand charges	Rs.175 / kVA of billing demand
Energy charges	705 paise/ unit

15. Tariff Schedule HT-5

GESCOM's Proposal:

The existing and the proposed tariffs are given below:

HT – 5 – Temporary supply

67 HP and above:	Existing tariff Order 2021	Tariff Proposed by GESCOM
Fixed charges / Demand Charges	Rs.300/HP/month for the entire sanction load / contract demand	Rs.600/HP/month for the entire sanction load / contract demand
Energy Charges	1110 paise / unit	1310 paise / unit

Commission's Decisions:

TARIFF SCHEDULE HT-5

As approved in the Commission's Tariff Order dated 6th May, 2013, this Tariff is applicable to 67 HP and above hoardings and advertisement boards and construction power for industries excluding those categories of consumers covered under HT2(b) Tariff schedule availing power supply for construction power for irrigation and power projects and is also applicable to power supply availed on temporary basis with the contract demand of 67 HP and above of all categories.

Approved Tariff for HT – 5: Temporary supply

67 HP and above:	Tariff Approved by the Commission
Fixed Charges / Demand Charges	Rs.325 /HP/month for the entire sanction load / contract demand
Energy Charges	1120 paise / unit

The Approved Tariff schedule for FY23 is enclosed in **Annexure – V** of this Order.

6.7 Wheeling and Banking Charges:

GESCOM has proposed wheeling charges of 60.733 paise/unit at HT voltage level and 141.71 pase/unit at LT voltage level in addition to HT loss of 4.21% and LT loss 6.49%.

The approach of the Commission regarding wheeling & banking charges is discussed in the following paragraphs:

The Commission has considered the approved ARR pertaining to distribution wires business and has proceeded to determine the wheeling charges as detailed in the following paragraphs:

6.7.1 Wheeling within GESCOM Area:

The allocation of the distribution network costs to HT and LT networks for determining wheeling charges is done in the ratio of 30:70, as was being done earlier. Based on the approved ARR for distribution business, the wheeling charges to each voltage level is worked out as indicated in the following Table:

TABLE – 6.1

Wheeling Charges

Distribution ARR-Rs. Crs	1095.10
Sales-MU	7921.91
Wheeling charges- paise/unit	138.24
	Paise/unit
HT-network	41.47
LT-network	96.77

In addition to the above, the following technical losses are applicable:

Loss allocation	% loss
HT	3.03
LT	5.48

Note: Total loss is allocated to HT, LT & Commercial loss based on energy flow diagram furnished by GESCOM.

The actual wheeling charges payable (after rounding off) will depend upon the point of injection & point of drawal as follows:

paise/unit

Injection point → / Drawal point ↓	HT	LT
HT	41 (3.03%)	138 (8.51%)
LT	138 (8.51%)	97 (5.48%)

Note: Figures in brackets are applicable loss

The wheeling charges as determined above are applicable to all the open access / wheeling transactions for using the GESCOM network only, except for energy transmitted or wheeled from renewable sources to the consumers within the State.

6.7.2 Wheeling of Energy using Transmission Network or Network of more than one Licensee

6.7.3 In case the wheeling of energy [other than RE sources wheeling to consumers within the State] involves usage of Transmission network or network of more than one licensee, the charges shall be as follows:

In case the wheeling of energy [other than RE sources wheeling to consumers within the State] involves usage of Transmission network or network of more than one licensee, the charges shall be as follows:

i. If only transmission network is used, transmission charges including losses determined by the Commission shall be payable to the Transmission Licensee.

ii. If the Transmission network and the ESCOMs' network is used, Transmission Charges shall be payable to the Transmission Licensee, in addition to transmission and distribution licensee technical loss and Wheeling charges shall be payable to the ESCOMs where the power is drawn. Wheeling Charges of the ESCOM where the power is drawn shall be shared equally among the ESCOMs whose networks are used.

Illustration 1:

If a transaction involves transmission network & GESCOM's network and 100 units is injected, then at the drawal point the consumer is entitled for 88.87units, after accounting for Transmission loss of 2.864% & GESCOM's technical loss of 8.51%.

The Transmission charge in cash as determined in the Transmission Tariff Order shall be payable to KPTCL & Wheeling Charge of 138 paise per unit shall be payable to GESCOM. In case more than one ESCOM is involved, the above 138 paise shall be shared by all the ESCOMs involved.

iii. If ESCOMs' network only is used, after deducting the ESCOMs technical loss the Wheeling Charges of the ESCOM where the power is drawn is payable and shall be shared equally among the ESCOMs whose networks are used.

Illustration 2:

If a transaction involves injection to BESCOM's network & drawal at GESCOM's network, and 100 units is injected, then at the drawal point the consumer is entitled for 91.49 units, after accounting GESCOM's technical loss of 8.51%.

The Wheeling charge of 138 paise per unit applicable to GESCOM shall be equally shared between GESCOM & BESCOM.

As the actual normal network charges depend upon the point of injection and point of drawal, the following broad guidelines may be followed by the licensees, while working out the charges:

Injection point → / Drawal point ↓	KPTCL Network	BESCOM Network	MESCOM Network	CESC Network	HESCOM Network	GESCOM Network
KPTCL Network	Transmission charges & Losses as per KPTCL's Order	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn
BESCOM Network	Transmission charges & Losses as per KPTCL's Order and BESCOM's wheeling charges & Technical losses as per Illustration-1 of BESCOM's Tariff Order	BESCOM's network charges and technical losses as per BESCOM's tariff order under the heading 'wheeling within BESCOM area' which again depends on point of injection or drawal	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order
MESCOM Network	Transmission charges & Losses as per KPTCL's Order and MESCOM's wheeling charges & Technical losses as per Illustration-1 of MESCOM's Tariff Order	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per MESCOM's tariff order under the heading 'wheeling within MESCOM area' which again depends on point of injection or drawal	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order
CESC Network	Transmission charges & Losses as per KPTCL's Order and CESC's wheeling charges & Technical losses as per Illustration-1 of CESC's Tariff Order	CESC's network charges and technical losses as per Illustration-2 of CESC's tariff order	CESC's network charges and technical losses as per Illustration-2 of CESC's tariff order	CESC's network charges and technical losses as per CESC's tariff order under the heading 'wheeling within CESC area' which again depends on point of injection or drawal	CESC's network charges and technical losses as per Illustration-2 of CESC's tariff order	CESC's network charges and technical losses as per Illustration-2 of CESC's tariff order
HESCOM Network	Transmission charges & Losses as per KPTCL's Order and HESCOM's wheeling charges & Technical losses as per Illustration-1 of HESCOM's Tariff Order	HESCOM's network charges and technical losses as per Illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per Illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per Illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per HESCOM's tariff order under the heading 'wheeling within HESCOM area' which again depends on	HESCOM's network charges and technical losses as per Illustration-2 of HESCOM's tariff order

Injection point → / Drawal point ↓	KPTCL Network	BESCOM Network	MESCOM Network	CESC Network	HESCOM Network	GESCOM Network
					point of injection or drawal	
GESCOM Network	Transmission charges & Losses as per KPTCL's Order and GESCOM's wheeling charges & Technical losses as per Illustration-1 of GESCOM's Tariff Order	GESCOM's network charges and technical losses as per Illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per Illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per Illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per Illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per GESCOM's tariff order under the heading 'wheeling within GESCOM area' which again depends on point of injection or drawal

Charges for Wheeling Energy by RE Sources, (Non-REC route) to Consumers in the State

The separate orders issued by the Commission from time to time in the matter of wheeling and banking charges for RE sources (Non-REC route) including solar power projects wheeling energy to consumers within the State shall be applicable.

6.7.4 Charges for Wheeling Energy by RE Sources, Wheeling Energy from the State to consumers/others outside the State and for those opting for Renewable Energy Certificate [REC]

In case the renewable energy is wheeled from the State to a consumer or others outside the State, the normal wheeling charges as determined in para 6.7.1 and 6.7.3 of this Order shall be applicable. For Captive RE generators including solar power projects opting for RECs, the wheeling charges as specified in the separate Orders issued by the Commission from time to time shall be applicable.

6.7.5 Banking Charges for RE sources:

Banking Charges as specified in the separate Orders issued by the Commission from time to time shall be applicable.

6.7.6 Cross Subsidy Surcharge [CSS]:

GESCOM has proposed the following CSS for FY23 based on formula specified in tariff policy, 2016:

Paise/unit

Voltage	HT1	HT2a	HT2b	HT2c	HT3	HT4	HT5
66kV & above	230.36	189.15	279.064	86.43	25.02	323.894	599.738
HT level	189.79	-6.85	279.064	-109.57	-170.98	323.894	599.738

The Commission had directed GESCOM to file CSS for each of the HT- tariff sub-categories separately, as per the KERC Regulations, wherein the computations as per Tariff Policy,2016 is adopted. Further, if the CSS computed is negative, it shall be made zero. GESCOM shall furnish working details for cost of supply at HT level and EHT level.

The GESCOM in its replies to the preliminary observations has submitted that except in HT-3, there are no installations in HT-sub-categories and has worked out the CSS as follows:

Paise/ unit

Voltage	HT1	HT2a	HT2b	HT2c	HT3	HT4	HT5
66kV & above	230.36	189.15	279.064	86.43	25.02	323.894	599.738
HT level	189.79	0.00	279.064	0.00	0.00	323.894	599.738

While, the Commission notes the reply furnished by the GESCOM, the determination of cross subsidy surcharge by the Commission is discussed in the following paragraphs: -

The Commission in its Regulations has adopted the formula as per Tariff Policy, 2016, for computing the CSS which is as indicated below:

S=T-[C/(1-L/100) + D + R]

Where

S is the Surcharge

T is the tariff Payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets.

Regarding, Regulatory asset, as per Tariff Order dated 04.11.2020, the Commission has allowed regulatory asset of Rs. 721.34 Crores for all the ESCOMs put together. The cost of carrying the regulatory asset is considered as zero.

Based on the methodology specified in its MYT and OA Regulations, and adopting the formula stated supra, the category wise cross subsidy surcharge will be as indicated in the following Table:

Paise/unit

Tariff category	Category Tariff paise/unit 'T' (Avg. of ESCOMs)	State Average Cost of supply @ 66 kV and above level* paise/unit C/(1-/100)+D+R]	State Average Cost of supply at @ HT level** paise/unit C/(1-/100)+D+R]	Cross subsidy surcharge paise/unit @ 66 kV & above level as per formula	Cross subsidy surcharge paise/unit @ HT level as per formula	20% of tariff payable by relevant category-paise/unit
1	2	3	4	5	6	7
				(2-3)	(2-4)	20% of (2)
HT-1 Water Supply	633.29	572.92	625.14	60.37	8.15	126.66
HT-2a Industries	973.43	572.92	625.14	400.51	348.29	194.69
HT-2b Commercial	1296.50	572.92	625.14	723.58	671.36	259.30
HT-2 (C)(i)	963.15	572.92	625.14	390.23	338.01	192.63
HT-2 (C)(ii)	1077.20	572.92	625.14	504.28	452.06	215.44
HT3 (a)(i) Lift Irrigation	315.00	572.92	625.14	-257.92	-310.14	63.00
HT3 (a)(ii) Lift Irrigation	522.86	572.92	625.14	-50.06	-102.28	104.57
HT3 (a)(iii) Lift Irrigation	372.36	572.92	625.14	-200.56	-252.78	74.47
HT3 (b)	515.51	572.92	625.14	-57.41	-109.63	103.10

Tariff category	Category Tariff paise/unit 'T' (Avg. of ESCOMs)	State Average Cost of supply @ 66 kV and above level* paise/unit C/(1-/100)+D+R]	State Average Cost of supply at @ HT level** paise/unit C/(1-/100)+D+R]	Cross subsidy surcharge paise/unit @ 66 kV & above level as per formula	Cross subsidy surcharge paise/unit @ HT level as per formula	20% of tariff payable by relevant category-paise/unit
Irrigation & Agricultural Farms						
HT-4 Residential Apartments	823.31	572.92	625.14	250.39	198.17	164.66
HT5 Temporary	2463.70	572.92	625.14	1890.78	1838.56	492.74

*** Includes weighted average power purchase costs of 476.04 paise/unit, transmission charges of 82.56 paise/unit and transmission losses of 2.92% including commercial losses at EHT.**

**** Includes weighted average power purchase costs of 476.04 Paise per unit, transmission charges of 82.56 Paise per unit and transmission losses of 2.92% including commercial losses at EHT, HT distribution network / wheeling charges of 34.47 Paise/unit and HT distribution losses of 3.49% including commercial losses at HT.**

Note: The carrying cost of regulatory asset of transmission licensee for the current year is included in Transmission charges and the carrying cost of regulatory asset of ESCOMs is considered as zero for the current year.

As per the Tariff Policy 2016, while limiting the CSS so as not to exceed 20% of the tariff applicable to relevant category, the CSS (after rounding off to nearest paise) is determined as per the following table:

Paise/unit

Particulars	66 kV & above	HT level-11 kV/33kV
HT-1 Water Supply	60	8
HT-2a Industries	195	195
HT-2b Commercial	259	259
HT-2 (C)(i)	193	193
HT-2 (C)(ii)	215	215
HT3 (a)(i)Lift Irrigation	0	0
HT3 (a)(ii)Lift Irrigation	0	0
HT3 (a)(iii)Lift Irrigation	0	0
HT3 (b)Irrigation & Agricultural Farms	0	0
HT-4 Residential Apartments	165	165
HT5 Temporary	493	493

Note: wherever CSS is one paise or less, it is made zero

The cross-subsidy surcharge determined in this order shall be applicable to all open access/wheeling transactions in the area coming under GESCOM. However, the above CSS shall not be applicable to captive generating plant for carrying electricity to the destination of its own use and for those renewable energy generators who have been exempted from CSS by the specific Orders of the Commission.

The Commission directs the Licensees to account the transactions under open access separately. Further, the Commission directs the Licensees to carry forward the amount realized under Open Access/wheeling to the next ERC, as it is an additional income to the Licensees.

The detailed calculation sheet of CSS is enclosed as Annexure-4.

6.8 Additional Surcharge (ASC):

Most of the ESCOMs in their tariff application, have submitted that they have tied up sufficient quantum of power, after approval by this Commission, by considering the overall growth in sales. However, a large number of its high revenue yielding consumers are buying power under Open Access instead of availing supply from the ESCOMs. As a result, the generation capacity tied up by the ESCOMs remains idle. In this situation, ESCOMs are forced to back down the generation from conventional sources and are also required to pay Fixed Charges (or Capacity Charges) to the Generators, irrespective of actual energy being purchased. Thus, ESCOMs have stated that there is a need for recovery of the part of fixed cost towards the stranded capacity arising from the power purchase obligation through levy of Additional Surcharge.

BESCOM in its tariff filing has computed the additional surcharge as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	2120.84
Total FC to be collected from EHT/HT Consumers--Rs. Crores	4051.41
Estimated under recovery of FC-Rs. Crores	1930.57
EHT/HT-Sales-MU	7960.86
Additional surcharge proposed-Rs/unit	2.43

BESCOM has stated that it has worked out the additional surcharge of Rs.2.09/unit considering the ARR of FY23. However, it is also stated that the Additional surcharge is worked out as per the methodology adopted in KERC order dated 30.05.2019. It may be noted that in the above tariff order, the Commission had worked out additional surcharge based on APR data of FY18, whereas in the subsequent orders, the Commission has considered the approved ARRs. In view of the above BESCOM was directed to clarify as to whether the computations are done as per order dated 04.11.2020 or as per order dated 30.05.2019. Also as per calculation provided ASC is Rs.2.43/-unit, whereas at page252 it is indicated as Rs. 2.09/- unit. Figures shall be reconciled.

The Commission in its previous order has provided concession to RE sources in additional surcharge. BESCOM was directed to furnish its comments in the matter.

BESCOM in its replies has submitted that it has computed ASC as per order dated 30.05.2019 and the proposed additional surcharge for FY23 is Rs.2.43/unit. Further, it is requested to review the concessional additional surcharge extended to RE sources, as Karnataka is RE rich State.

The Commission notes that the methodology adopted in order dated 04.11.2020 or order dated 30.05.2019 is same. However, the data considered for computation of ASC in order dated 30.05.2019 is the APR data of FY18, whereas in order dated 04.11.2020, the data considered is the approved ARR of FY21. Going by the details furnished by BESCOM, it is observed that BESCOM has considered data of ARR estimates for FY23.

MESCOM in its Petition has stated that they have computed the Additional Surcharge in line with the methodology adopted by the Commission in its Tariff Order 2022. MESCOM, furnishing the details of calculations has proposed the Additional Surcharge to be recovered from HT consumers at Rs. 1.81 per unit as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	201.43
Total FC to be collected from EHT/HT Consumers--Rs. Crores	398.29
Estimated under recovery of FC-Rs. Crores	196.86
EHT/HT-Sales-MU	1088.73
Additional surcharge proposed-Rs/unit	1.81

CESC has worked out Additional surcharge of Rs.1.29/unit 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 was directed as to whether the ASC is proposed as per estimated ARR for FY23.

CESC in its reply to the preliminary observation has submitted that it has determined the Additional Surcharge of Rs. 1.29 per unit as per estimated ARR for FY23. The details of computation are as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	500.68
Total FC to be collected from EHT/HT Consumers--Rs. Crores	666.32
Estimated under recovery of FC-Rs. Crores	165.64
EHT/HT-Sales-MU	1285.06
Additional surcharge proposed-Rs/unit	1.29

HESCOM has worked out additional surcharge of 119 paise per unit based on FY-21 actuals and 126 paise/unit based on proposed ARR for FY23. The Commission in its previous tariff order, has considered the data as approved for the year for which tariff is determined. Therefore, HESCOM was directed to confirm the ASC to be levied for FY23.

HESCOM in its replies has clarified that additional surcharge of Rs. 1.26/unit shall be considered. The details of calculations are as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	321.00
Total FC to be collected from EHT/HT Consumers--Rs. Crores	606.66
Estimated under recovery of FC-Rs. Crores	285.66
EHT/HT-Sales-MU	2259.27
Additional surcharge proposed-Rs/unit	1.26

GESCOM has proposed additional surcharge of 78 paise/unit for FY23 considering the ARR of FY23.

In the previous tariff orders the Commission had reduced ASC for RE generators. GESCOM was directed to provide its comments regarding continuing of the reduced ASC for RE sources.

GESCOM in its replies to the preliminary observations has submitted that Karnataka being RE rich State, Concept of concessions to RE sources IN ASC may be revised. The Additional Surcharge based on proposed ARR of FY23 is computed by GESCOM as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	621.45
Total FC to be collected from EHT/HT Consumers--Rs. Crores	739.82
Estimated under recovery of FC-Rs. Crores	118.37
EHT/HT-Sales-MU	1509.00
Additional surcharge proposed-Rs/unit	0.78

In view of the above, ESCOMs in their tariff application have proposed levy of Additional Surcharge for FY23 as given below:

ESCOM	**Additional Surcharge proposed-Rs. Per unit**
BESCOM	2.43
MESCOM	1.81
CESC	1.29
HESCOM	1.26
GESCOM	0.78

Commission's views and decision:

The Commission in its previous order, considering the provisions of the Electricity Act, 2003, National Electricity Policy, Tariff Policy, KERC Regulations and orders of Hon'ble Supreme Court and Hon'ble APTEL, has held that the Additional Surcharge can be levied on the open access consumers, to meet the stranded fixed cost obligations of the distribution licensee arising out of its obligation to supply power. Further, the Commission had worked out the Additional Surcharge based on approved ARR of the ensuing year namely FY22, in its previous order. The Commission notes that all the ESCOMs have computed Additional Surcharge adopting the methodology followed by the Commission in its previous order, as discussed supra.

The Commission notes that, when a consumer purchases electricity under Open Access, the ESCOMs lose the Fixed Charges embedded in the energy charges for the number of units of energy purchased under Open Access. The Commission has determined the Additional Surcharge for the ESCOMs by allocating the total fixed cost of Power Purchase to EHT and HT consumers in proportion to their input energy ESCOM-wise and has added the ESCOM-Wise fixed cost of power purchase to arrive at the voltage-wise fixed power purchase cost for the State. The Commission, while computing the Additional Surcharge, has excluded the KPTCL transmission charges & SLDC charges and the distribution network cost, as these charges are being recovered from the Open Access consumers for the use of transmission and distribution network. Further, the Commission has also considered the fixed cost associated with the retail supply business allocated to EHT and HT consumers in proportion to their energy sales ESCOM -Wise and has added the ESCOM-Wise fixed cost of retail supply business to arrive at the voltage-wise fixed cost of retail supply business for the State. Based on the above, the total Fixed cost excluding KPTCL Transmission charges, SLDC charges and Distribution network charges, is considered for computation of Additional Surcharge for EHT and HT consumers.

Further, out of the fixed charges recovered from EHT and HT consumers in retail supply tariff, the fixed costs allocated to EHT and HT consumers towards transmission and distribution network cost, is deducted on first charge basis. The balance of the fixed charges recovered through retail supply tariff is set off against the total stranded fixed cost attributable to HT/EHT consumers and the remaining stranded fixed cost has to be recovered from OA consumers by levy of Additional Surcharge.

Based on the above methodology, the Additional Surcharge recoverable from the consumers of ESCOMs is worked out as follows:

ESCOM	Computed Additional Surcharge Rs/Unit
BESCOM	1.90
MESCOM	2.75
CESC	2.67
HESCOM	2.41
GESCOM	2.16

The Commission notes that, as per the Additional Surcharge computed as above, there is a wide variation in the rates of Additional Surcharge to be recovered from the OA consumers among the ESCOMs. Since, the retail supply tariff and the cross-subsidy surcharge applicable to the consumers of the State is uniform across the State, the Commission decides to adopt a uniform Additional Surcharge across the State which is worked out, by considering the total fixed cost of all the ESCOMs as follows:

Computation of Additional Surcharge for FY23

	Particulars	Unit	110kV & 66 kV	11 kV	LT	Total
1	Power Purchase Cost of the State	Rs.in Cr.	-	-	-	39232.88
2	Distribution of Power Purchase Cost (Based on share of voltage-wise energy Input)	Rs.in Cr.	1883.30	7113.01	30236.56	39232.88
3	Total Fixed Charges Power Purchase cost (Excluding KPTCL Transmission charges+ SLDC)	Rs.in Cr.	-	-	-	12572.17
4	Distribution of Fixed Charges in Power Purchase cost -Voltage-wise (Based on share of energy Input	Rs.in Cr.	589.73	2335.25	9647.19	12572.17
5	KPTCL Transmission Charges+ SLDC (Based on share of energy input)	Rs.in Cr.	250.51	922.56	3953.69	5126.76
6	Fixed cost in Retail Supply Business (Based on share of energy sales)	Rs.in Cr.	223.02	764.76	3017.67	4005.44
7	Distribution network costs (Based on share of energy sales)	Rs.in Cr.	415.90	1274.79	5397.59	7088.28
8	**Total Fixed cost (column number 4+5+6+7)**	**Rs.in Cr.**	**1479.16**	**5297.36**	**22016.13**	**28792.65**

	Particulars	Unit	110kV & 66 kV	11 kV	LT	Total
9	Fixed cost recoverable in wheeling and banking charges (transmission charges + SLDC + Distribution network costs) (column number 5+7)	Rs.in Cr.	666.41	2197.35	9351.28	12215.04
10	Balance of Fixed Cost to be recovered through additional surcharge (column number 4+6)	Rs.in Cr.	812.75	3100.01	12664.85	16577.61
11	Total Fixed Cost recoverable from HT/EHT consumers (excluding Transmission and Distribution Network cost)	Rs.in Cr.	812.75	3100.01	-	3912.76
12	Fixed charges recovered by ESCOMs through tariff from HT/EHT consumers	Rs.in Cr.	3542.44	-	-	-
13	Less: Fixed Charges allocated to transmission and distribution network cost	Rs.in Cr.	2863.76	-	-	-
14	Balance available fixed charges (column number 12-13) from HT consumers	Rs.in Cr.	678.68	-	-	678.68
15	Shortfall in recovery of Fixed Cost to be considered for recovery of additional surcharge (column number 11-14)	Rs.in Cr.	-	-	-	3234.08
16	Total HT/EHT Sales of ESCOMs	In MU	-	-	-	15070.84
17	**Additional Surcharge (column number 15/16 x 10)**	**Rs./unit**				**2.15**

As per the above computations, a uniform Additional Surcharge across ESCOMs in the State that has to be levied to OA consumers works out to Rs.2.15 per unit. The Commission is mandated by the Electricity Act, 2003, to encourage open access with a view to promote competition and at the same time has to protect the interest of the consumers of the distribution companies in the State. In this background, the Commission is of the considered view that levying Additional Surcharge of Rs.2.15 per unit would burden the open access transactions and at the same time if it is not levied, it would burden on the consumers of the distribution licensees. In the recent past, the quantum of purchase under open access is increasing considerably as per the data furnished by ESCOMs as indicated below:

HT-2a category:

ESCOM	FY18	FY19	FY20	FY21
BESCOM	2557.85	2639.87	2765.9	2867.42
MESCOM	283.26	319.96	329.39	310.63
CESC	479.12	543.14	620.91	581.99
HESCOM	424.67	226.96	549.70	549.47
GESCOM	484.25	436.55	628.211	729.48
Total	**4229.15**	**4166.48**	**4894.111**	**5038.99**

Note:3-year CAGR is 6.01%

HT-2b category:

ESCOM	FY18	FY19	FY20	FY21
BESCOM	945.57	1551.3	1758.64	1352.27
MESCOM	3.41	3.82	4.89	22.13
CESC	14.119	11.45	15.66	9.69
HESCOM	0.00	0.00	0.00	0.00
GESCOM	0.00	0.00	0.92	0.54
Total	**963.099**	**1566.57**	**1780.11**	**1384.63**

Note:3-year CAGR is 12.86%

Therefore, in order to balance the interest of both OA consumers and the other consumers, the Commission decides to levy 55% of uniform Additional Surcharge of Rs.2.15 per unit, i.e., Rs. 1.18/ Unit, duly rounding off to the nearest ten paise i.e. Rs.1.20 per unit (120 paisa per unit) as Additional Surcharge to be recovered from OA consumers for FY23. The above Additional Surcharge shall be payable by the HT/EHT open access consumers to the concerned distribution licensee on a monthly basis, based on the actual energy drawn during the month, through Open Access. Further, to encourage renewable sources of power, the Commission decides to levy Additional Surcharge of 35 paise per unit duly rounding off (30% of 118 paise per unit) for the energy procured under OA from Renewable Energy Sources.

6.9 Other Issues:

6.9.1 Tariff for Green Power:

In order to encourage generation and use of green power in the State, the Commission decides to continue the **existing Green Tariff of 50 paise per unit** as the additional tariff over and above the normal tariff to be paid by HT-consumers, who opt for supply of green power from out of the renewable energy procured by distribution utilities over and above their Renewable Purchase Obligation (RPO).

The Commission directs ESCOMs to make wide publicity about the availability of RE power through newspapers/media/interaction meeting with the industrial consumers so as to encourage the consumers to buy more Green Power.

6.9.2 Other tariff related issues:

i) Rebate for use of Solar Water Heater:

The Distribution Licensees have requested the Commission to continue the Solar water heater rebate to the consumers. The consumers have requested to increase the Solar water heater Rebate as there is no increase in the rebate amount for more than 10 years. Since the Government of Karnataka has mandated the installation of solar water heaters on the roof of the residential buildings on certain conditions, the use of Solar Water Heaters is advantageous to both the ESCOMs and the consumers. Now, with the availability of surplus power due to the commissioning of RE power projects in the State as noted from the submission made by ESCOMs, the backing down of the thermal power stations to accommodate the power from the must-run status RE power, as per the prevailing Rules / Policy of the GoI / MNRE. Thus, on account of this, the ESCOMs are liable to pay the capacity charges and resulted in increase in the power purchase cost of the ESCOMs abnormally, which has to be borne by the consumers in the State through Retail Supply Tariff. Under these circumstances, extension of any further concession in the solar rebate has to be borne by the other consumers by increase in the tariff for which they are objecting. The Commission by considering the financials of the ESCOMs and the flight of other consumers in the State decides to retain the existing rebate of 50 paise per unit subject to a maximum of Rs.50 per installation per month for use of solar water heaters under tariff schedule LT2(a).

ii) Prompt payment incentive:

The Commission had approved a prompt payment incentive at the rate of 0.25% of the bills amount in respect of:

(i) in all cases of payment through Electronic Clearing System (ECS);

(ii) in the case of monthly bill exceeding Rs.1,00,000 (Rs.one lakh), where payment is made 10 days in advance of due date and

(iii) advance payment of exceeding Rs.1000 made by the consumers towards monthly bills.

The Commission decides to continue the prompt payment incentive as above.

iii) Relief to Sick Industries:

The Government of Karnataka has extended certain reliefs for revival/rehabilitation of sick industries under the New Industrial Policy 2001-06 vide G.O. No. CI 167 SPI 2001, dated 30.06.2001. Further, the Government of Karnataka has issued G.O No.CI2 BIF 2010, dated 21.10.2010. The Commission, in its Tariff Order, 2002, had accorded approval for implementation of reliefs to the sick industries as per the Government policy and the same was continued in the subsequent Tariff Orders. However, in view of issue of the G.O No.CI2 BIF 2010, dated 21.10.2010, the Commission has accorded approval to the ESCOMs for implementation of the reliefs extended to sick industrial units for their revival / rehabilitation on the basis of the orders issued by the Commissioner for Industrial Development and Director of Industries & Commerce, Government of Karnataka / National Company Law Tribunal (NCLT).

iv) Power Factor (PF):

The Commission in its previous order had retained the PF threshold limit and surcharge, both for LT and HT installations at the levels existing as in the Tariff Order 2005. The Commission decides to continue the same in the present order as indicated below:

LT Category (covered under LT-3, LT-4, LT-5 & LT-6 where motive power is involved): 0.85

HT Category: 0.90

v) Rounding off of KW / HP:

In its Tariff Order 2005, the Commission had approved rounding off of fractions of KW / HP to the nearest quarter KW / HP for the purpose of billing and the minimum billing being for 1 KW / 1HP in respect of all the categories of LT installations including IP sets. This shall continue to be followed. In the case of street light installations, fractions of KW shall be rounded off to the nearest quarter KW for the purpose of billing and the minimum billing shall be for a quarter KW.

vi) Interest on delayed payment of bills by consumers:

The Commission, in its previous Orders had approved collection of interest on delayed payment of bills at 12% per annum. The Commission with a view to achieve the 100% collection efficiency in recovery of revenue demand to reduce the financial burden of ESCOMs and to bring in discipline among the defaulting consumers, decides to continue the same rates in this Order also.

vii) Security Deposit (3 MMD/ 2 MMD):

The Commission had issued the K.E.R.C. (Security Deposit) Regulations, 2007 on 01.10.2007and the same has been notified in the Official Gazette on 11.10.2007. The payment of security deposit shall be regulated accordingly.

viii) Mode of Payment by consumers:

The Commission, in its previous Tariff Order had approved payment of electricity bills in cash/cheque/DD of amounts up to and inclusive of Rs. 10,000 and payment of amounts exceeding Rs. 10,000 to be made only through cheque. The consumers could also make payment of power bills through Electronic Clearing System(ECS)/ Credit card/ online E-payment up to the limit prescribed by the RBI, and the collection of power supply bills above Rupees One lakhs through RTGS / NEFT at the option of the consumer.

The Commission as decided in the Tariff Order, 2018 dated 14th May, 2018, in order to encourage the consumers to opt for digital payments in line with the direction of the MOP, GoI, decides to continue to allow GESCOM to collect payment of monthly power supply bill **through Electronic clearing system (ECS)/ Debit / Credit cards / RTGS/ NEFT/ Net Banking through ESCOMs / Bank/ Karnataka One websites, on-line E-Payment / Digital mode of payments in line with the guidelines issued and the payment up to the limit prescribed by the RBI, wherever such facility is provided by the Licensee and allow GESCOM to incur and claim the expenditure on such transaction in the ARR. However, the Commission decides to allow GESCOM to incur the expenditure on the payment for power supply bills received through Debit / Credit Cards having demand up to Rs.2000 and below only.**

6.10 Cross Subsidy Levels for FY23:

The Hon'ble Appellate Tribunal for Electricity (ATE), in its Order dated 8th October, 2014, in Appeal No.42 of 2014, has directed the Commission to clearly indicate the variation of anticipated category-wise average revenue realization with respect to overall average cost of supply in order to implement the requirement of the Tariff Policy that tariffs are within ±20% of the average cost of supply, in the Tariff Orders being passed in the future. It has further directed the Commission to also indicate category-wise cross subsidy with reference to voltage-wise cost of supply so as to show the cross subsidies transparently.

In the light of the above directions, the variations of the anticipated category-wise average realization with respect to the overall average cost of supply and also with respect to the voltage-wise cost of supply of GESCOM and the cross subsidy thereon, is indicated in ANNEXURE- 3 of this Order. It is the Commission's endeavour to reduce the cross subsidies gradually as per the Tariff policy.

6.11 Effect of Revised Tariff:

a. As per the KERC (Tariff) Regulations 2000, read with the MYT Regulations 2006, the ESCOMs have to file their applications for ERC/Tariff before 120 days of the close of each financial year in the control period. The Commission notes that, the GESCOM has filed its applications for revision of tariff on or before 30th November, 2021.

b. To enable the GESCOM to recover the revenue gap determined as per of this Order, the Commission decides that, the revised tariff for the energy consumed, shall be given effect, from the 1st meter reading date falling on or after 1st of April 2022.

A statement indicating the proposed revenue and approved revenue is enclosed vide Annexure-3 and detailed tariff schedule is enclosed vide **Annexure-5.**

6.12 Summary of the Tariff Order:

- The Commission has approved the ARR for GESCOM of Rs.6426.46 Crores for FY23, which includes the revenue deficit for FY21 of Rs.179.82 Crores as per APR, resulting in net revenue gap of Rs.277.27 Crores, as against GESCOM's proposed ARR of Rs.7771.08 Crores and a gap of Rs.1816.94 Crores.
- The Commission has approved the ARR for GESCOM of Rs.6458.52 Crores and Rs.6782.99 Crores as against the GESCOM's proposal for approval of ARR of Rs.6647.19 Crores and Rs.6872.51Crores for FY24 and FY25 respectively.
- GESCOM, in its filing dated 30.11.2021, had proposed an increase of 236 paise per unit for all categories of consumers resulting in average increase in retail supply tariff by 30.52%. The Commission has approved an average increase of 35 paise per unit. The average increase in retail supply tariff of all the consumers of the GESCOM for FY23 is 4.51%.
- The Commission has allowed recovery of additional revenue, partly by increase in fixed charges ranging from Rs.10 to Rs.30 per KW/HP/KVA, payable by all the categories of consumer wherever applicable.
- The Commission has allowed recovery of additional revenue partly by increase in the energy charges in the range of 5 paise per unit to all categories of consumers.

- The Commission has decided to recover the revenue gap determined as per Chapter-5 of this Order, from the 1st meter reading date falling on or after 1st of April, 2022.

- The Commission has continued enhancement of the usage of power by domestic consumers under 1st slab from the existing 30 units per month to 50 units per month.
- The Commission in order to mitigate the financial crisis faced by the Micro and Small Scale Industries on account of Pandemic Covid-19, decides to allow a Rebate of 50 Paise per unit in the Energy Charges for the electricity consumed for a period of 12 months only, to LT-5(a) and LT-5(b) category.

- The Commission decides to extend further concession of Re.1 per unit in the energy charges for the energy consumption made during the year in addition to the concession in the Fixed charges/demand charges already extended to the installations of Ice manufacturing units / cold storage plants used for fisheries purpose, situated in the coastal belt area of Karnataka State within a radius of 5 Kms. from Sea only.

- Under the ToD tariff, penalty for usage of power during evening peak period from 18.00 Hrs. to 22.00 Hrs. in respect of HT2(a), HT2(b) and HT2(c) has been relaxed during monsoon period from July to November. However, the penalty for evening peak usage is continued from December to June in this Order except for Railway Traction Installations.

- The ToD tariff incentive of 100 paise per unit for the usage of power during night period from 22.00 Hrs. to 06.00 Hrs. (next day) has been relaxed during monsoon period from July to November. However, the ToD incentive of 100 paise per unit for the usage of power from 22.00 Hrs. to 06.00 Hrs. during December, 2021 to June, 2022 is continued.

- The ToD tariff approved by the Commission is also applicable for the power supply availed in the Depots to the HT installation of BMTC / KSTRC / NEKRTC / NWKRTC for charging their Electric Motor Vehicle under LT6(c) tariff schedule.

- **In order to encourage sale of surplus energy during Monsoon period, the Commission has continued the "Discounted Energy Rate Scheme" at Rs.6 per unit for the HT2(a) (b) and (c) categories for usage of power beyond the base consumption for FY23.**

- The Commission, in order to increase the energy sales and to attract the consumers to consume power from GESCOM has decided to continue the existing **Special Incentive Scheme** to HT category for one more year.

- The Commission has allowed the concessional tariff of Rs.6.45 per unit to the Railway Traction installations.

- The energy consumption by the Effluent Treatment Plant and Drainage Water Treatment Plants installed within the premises of the consumer's installations by drawing power from the main meter or through sub-meter shall be continued to bill at the respective tariff category for which the power supply is availed for the installation.

- The Commission, by considering the environmental and social benefits in processing of the Solid Waste has decided to continue to bill the power supply arranged to Solid Waste Processing Plant under respective LT/HT Industrial Category.

- The Commission, to promote the use of eco-friendly Electric Motor Vehicle in the State in line with the Policy of the GoI / GoK, has continued the sub-category of LT-6(c) under LT-6 Tariff Schedule extending concessional power supply to the Electric Vehicle Charging Stations including the Electric Vehicle battery swapping Stations, without increasing the fixed / demand charges and energy charges.
- Green tariff of additional 50 paise per unit over and above the normal tariff, which was introduced a few years ago for HT industries and HT commercial consumers at their option, to promote purchase of renewable energy from ESCOMs, is continued in this Order.

- The Commission has continued to provide a separate fund for facilitating better Consumer Relations / Consumer Education Programmes.
- As per directive issued to the ESCOMs, the Commission, would continue to impose penalty up to Rupees one lakh per sub-division on GESCOM, per failure, if the field officers do not conduct Consumer Interaction meetings, at least once in three months and such penalty would be payable by the concerned officers of the GESCOM.

ORDER

1. In exercise of the powers conferred on the Commission under Sections 62 and 64 and other provisions of the Electricity Act, 2003, the Commission hereby approves the ARR as per APR for FY21 and determines the ARR for FY23, FY24 & FY25 and notifies the retail supply tariff of GESCOM for FY23 as stated in Chapter-6 of this Order.

2. The tariff determined in this order shall be applicable to the electricity consumed from the first meter reading date falling on or after 1st April, 2022.

3. This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission at Bengaluru this day, the 4th of April, 2022.

(H.M. Manjunatha)
Officiating Chairman

(M.D. Ravi)
Member

APPENDIX

REVIEW OF COMPLIANCE OF THE COMMISSION'S DIRECTIVES

New Directive:

1. Issue of No Objections Certificates(NOC) for Wheeling and Banking facility to Open Access Consumers/ Captive generators:

The Commission has observed that in the matter of issue of No Objections Certificates(NOC) for Wheeling and Banking facility to Open Access Consumers/ Captive generators, the KPTCL/SLDC/ ESCOMs are not adhering to the time frame prescribed by the Commission as per the KERC (Open Access) Regulations, 2004, as amended from time to time. As a result of the delay, substantial quantum of energy is being wheeled/ banked to the transmission/ distribution network under the provisions of 'deemed approval for the W & B facility'. The energy so wheeled/ banked remains unpaid and the generators are made to indefinitely wait for payment and ultimately they are filing petitions before this Commission for settlement of their claims.

Since the energy is wheeled/ banked from RE sources which are having must run status, any delay in giving NOC for wheeling / banking facility or non-payment of the charges for the deemed approved W & B is not justifiable. Whereas, timely action in clearing NOC for W & B facility would avoid all the complications/ litigations in the matter.

The KPTCL, SLDC and ESCOMs are therefore directed to strictly adhere to the timelines fixed by the Commission as per the OA Regulations. For this purpose, they shall define the responsibility centres and fix definite timelines at each of the processing stage and ensure that the W & B applications are disposed of within the prescribed timeframe. They shall fix up personal responsibility on the concerned officials for avoidable delay in giving the NOC.

Compliance of this Directive may be reported within two months from the date of issue of this Tariff Order

Existing Directives:

The Commission, in its Tariff Order dated 9th June, 2021, while reveiweing the compliance of its directives issued in its earlier Tariff Orders, had reiterated the directives issued by the Commission. The Commission has been reviewing the compliance thereof, on a regular basis. In the present proceedings also, the Commission has reviewed the compliance to the Directives. The Commission, besides reviewing the existing directives, decides to elaborate and clarify them for continued compliance.

The same are discussed below:

1. Directive on conducting Consumers' Interaction Meetings (CIM) in the O&M Sub-Divisions for redressal of consumer complaints

The Commission in its past Tariff Orders had directed that the GESCOM shall ensure that Consumer Interaction Meetings (CIM) chaired by the Superintending Engineers, are conducted in each of its O&M Sub-Divisions according to a pre-published schedule, at least once in every three months. Further, the consumers were to be invited to such meetings giving advance notice through emails, letters, GESCOM's website, local newspapers etc, to facilitate participation of maximum number of consumers in such meetings. The GESCOM was required to ensure that the proceedings of such meetings are recorded and uploaded on its website, for the information of consumers. Compliance in this regard was to be reported once in three months to the Commission, indicating the dates of meetings, the number of consumers attending such meetings and the status of redressal of their complaints.

If GESCOM fails to ensure the conduct of the Consumer Interaction Meetings as directed, the Commission would consider imposing a penalty of up to Rs.One lakh per O&M Sub-Division per quarter for each instance of non-compliance as per Section 142 and 146 of the Electricity Act 2003, and also direct that such penalty shall be recovered from the concerned Superintending Engineer who fails to conduct such meetings.

In addition to the quarterly meetings to be chaired by the jurisdictional Superintending Engineer (El) or the jurisdictional Executive Engineer (El), the concerned Assistant Executive Engineer (El) shall conduct the CIM on third Saturday of every month so as attend to the grievance of the consumers, as is being done in ESCOMs as reported in the tariff filing.

Compliance by the GESCOM:

As per directives issued by the Commission, in the Tariff Orders 2019, 2020, and 2021 and the earlier Tariff Orders, GESCOM is conducting Consumers Interaction Meetings in the O&M Sub-divisions chaired by jurisdictional SEEs / EEEs once in three months to redress the consumer grievance relating to supply of electricity. In FY21, the consumers were invited to such meetings duly intimating in advance (at least 3 days prior) of the schedule date of CIM, to facilitate participation of maximum number of consumers. The consumers were invited through e-mail, hosting CIM notices on GESCOM's website and through SMS (by maintaining / updating consumer data base), local newspapers regarding information on the CIM Meeting schedule.

In addition to the quarterly meetings chaired by the jurisdictional SEE or the jurisdictional EE, the concerned Assistant Executive Engineer have conducted CIM on third Saturday of every month, to redress the grievances of the consumers.

Compliance in this regard including the proceedings, photos and other details of CIM have been reported to the Hon'ble Commission regularly on monthly basis and also hosted on the GESCOM website. In FY22, due to the prevailing COVID-19 pandemic, to ensure social distancing, GESCOM has conducted CIMs in some of the sub-divisions where the positivity rate of Covid-19 cases was less and where there is positivity rate of Covid 19 cases is high, avoided conducting of CIM during 1st and 2nd quarter of FY22,. However, in the normal course, grievances of the consumers are being resolved immediately as and when the complaints are received through all means and consumers have been informed after resolving the issue. The GESCOM has noted the views of

Commissions, in the Tariff order 2021 on the directives of conducting CIM, in its jurisdictions and all the concerned officers including SEEs / EEs / AEEs have been instructed to implement the directive. If any Officer i.e., SEE / EE doesn't follow the directions, applicable penalty of Rs 1 Lakh per O&M Sub-division / quarter will be levied against the erring officers, for such non-compliance in each instance.

GESCOM has furnished the abstract of the CIMs conducted in its jurisdiction during FY21 and FY22 till September 2021.

GESCOM has conducted CIM in some of the sub-divisions where there is positivity rate of Covid-19 cases is less and avoided conducting of CIM during 1st and 2nd quarter of FY22 where there is positivity rate of Covid-19 cases is high. As the effect of Covid-19 pandemic are reduced, GESCOM has started conducting the consumer interaction meetings in its jurisdictions by maintaining social distancing among the consumers and employees duly making them wear masks compulsorily.

As per the directions of the Commission GESCOM has taken action to fix the visiting hours for the Consumers and Officers have been strictly instructed to make them availiable during the visiting hours and resolve the consumer complaints. The details of visiting hours is from 4.00 PM to 6.00 PM. GESCOM has hosted the details of visiting hours in the Official Website.

Commission's Views:

The GESCOM has submitted the details of consumer interaction meetings conducted in its jurisdiction during FY21 and FY22 till September 2021, in its Tariff Filing and replies to preliminary observations.

The Commission had directed the ESCOMs to conduct the consumer interaction meetings in the Sub-Divisions chaired by either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer to effectively redress the consumer grievances. The Commission notes the submissions made by GESCOM that such meetings are being conducted every Quarter in its entire area covering all the Sub-Divisions.

GESCOM has informed that the CIMs are not conducted during the 1st and 2nd Quarter of FY22 due to Covid-19 pandemic. **During the pandemic, it is difficult to conduct the CIMs effectively in the physical presence of the general public. In view of this in order to keep the continuity of the conduct of CIMs, GESCOM is directed to explore the possibility of conducting the CIMs online during such situations**.

Further, the Commission desires that, such meetings are strictly chaired by either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer and not by any other officer of the lower rank. The Commission also decides that, if the consumer interaction meetings are conducted in the Sub-Divisions without participation of the Superintending Engineer or the Executive Engineer, it will be considered as non-compliance of the Commission's directives and the Commission would consider imposing a penalty of up to Rs. One lakh per O&M Sub-Division per quarter for each instance of non-compliance and also direct that such penalty shall be recovered from the concerned Superintending Engineer who fails to conduct such meetings.

The Commission, therefore reiterates its directive to the GESCOM to conduct Consumer Interaction Meetings (CIM) chaired by either the jurisdictional Superintending Engineer or jurisdictional Executive Engineer once in a quarter, in each of the O&M Sub-Divisions, to redress the consumer grievances relating to supply of electricity. Advance notices shall be sent to the stakeholders by email / website and through SMS (by maintaining / updating the consumer database) well in advance. Information on the schedule of the Consumer Interaction Meeting, date, time, venue etc., shall be published in the form of news item in the leading local / regional newspapers, at least 3 days prior to the conduct of the meeting, to ensure that more number of consumers take part in such meetings. The Proceeding of conduct of such meetings shall be uploaded in the website of the GESCOM for reference of the needy consumers and a report in the prescribed format shall be sent to the Commission after the end of each quarter.

Also, it was brought to the notice of the Commission that the concerned officers were not available in the office during scheduled working hours. The Commission hereby directs that visiting hours should be fixed by GESCOM and should be continued to be displayed on the website and direct all the officers to be present during the visiting hours.

In addition to the quarterly meetings chaired by the SEE or the EE, the concerned jurisdictional Assistant Executive Engineer shall conduct the CIM on third Saturday of every month so as to attend to the grievance of the consumers, as is being done in other ESCOMs.

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**

The Commission had noted that due to implementation of billing based on 15 - minutes' time block, there is a fair increase in the revenue to the GESCOM from the HT consumers, who are drawing energy through open access and directed the GESCOM to continue the efforts effectively.

The Commission had directed the GESCOM to ensure preparation of energy bills on monthly basis by considering the 15-minute's time block period in respect of EHT / HT consumers importing power through power exchange under Open Access. That, the GESCOM shall implement the directive forthwith and the compliance regarding the same shall be submitted quarterly to the Commission, regularly. The Commission also directed the GESCOM to quantify the billing and report.

Compliance of the GESCOM:

The GESCOM has noted the Hon'ble Commission's views in the Tariff Order 2019, Tariff order 2020 and Tariff Order 2021 on the directive of preparation of energy bills on monthly basis by considering 15-minutes' time block period in respect of EHT / HT consumers importing power through power exchange under Open Access. GESCOM will adhere and follow the directive and is presently submitting the compliance in every quarter and also will submit the quarterly compliance to the Hon'ble Commission without fail.

The introduction of 15 Minutes' time block billing has resulted in significant quantum of energy savings and prevented revenue loss due to enforcing of correct billing.

GESCOM has submitted the details of energy bills on monthly basis by considering 15 minutes' time block period in respect of EHT / HT consumers importing power through power exchange under Open Access for FY21 and FY22 up to September 2021.

It is seen that by billing in 15 minutes' time block the consumers who have opted for open access and consumed energy and inadvertently banked have resulted in revenue gain to GESCOM. In year 2020-21 the revenue was about Rs.4.126 Crores and from April to September 2021 the revenue is about Rs.0.741 Crores.

Commission's Views:

The Commission notes that the GESCOM has complied with the directive by initiating preparation of energy bills on monthly basis considering the 15-minutes' time block period in respect of EHT / HT consumers importing power through power exchange under Open Access. It is seen that the introduction of 15-minutes' billing has resulted in significant quantum of energy saving of 5.722 MU during FY21 and 0.981 MU during FY22 till September 2021. The stand taken by the Commission in directing the GESCOM to prepare monthly EHT / HT consumer bills on15-minute's time block period has prevented a revenue loss of Rs.4.120 Crores during FY21 and Rs.0.741 Crores during FY22 till September 2021 by the consumers who took advantage of its laxity in enforcing correct billing. The GESCOM is required to adhere to the directive and submit regularly month-wise details of number of open access consumers, open access units scheduled / consumed and inadvertently banked energy, if any, along with the details of revenue gain.

GESCOM shall ensure that the scheme of 15 minutes' time block billing is enforced on all applicable EHT / HT consumers from the month from which the necessary infrastructure was available.

The Commission reiterates its directive that the GESCOM shall continue to prepare the energy bills on monthly basis considering the 15 minute's time block period in respect of all EHT / HT consumers importing power through power exchanges under open access. Since this is a routine billing issue to be attended by GESCOM, the Commission decides not to pursue it further and drop this directive.

3. Directive on Energy Conservation:

The Commission had directed that, GESCOM has to service new installations only after ensuring that the equipment installed in the consumer's premises are BEE ***** (Bureau of Energy Efficiency five-star rating) rated viz., Air Conditioners, Fans, Refrigerators, etc., are energy efficient.

On similar lines, GESCOM was directed to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that LED lamps / energy efficient lamps like induction lamps are provided to the street light points.

Also, the Commission had directed the GESCOM to take up programmes to educate all the domestic, commercial and industrial consumers, through the media and by distributing pamphlets giving details on the benefits of using five-star rated equipment certified by the Bureau of Energy Efficiency in reducing their monthly electricity bills and conservation of precious energy along with monthly bills.

Considering the practical difficulty expressed by the ESCOMs in the Tariff Filing of previous year, by partially modifying the directive, the Commission reiterated its directive with the directions to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that the LED lamps / energy efficient lamps like induction lamps are provided to the street light points and the compliance thereon shall be submitted to the Commission once in a quarter on a regular basis.

Compliance by the GESCOM:

The GESCOM has noted the Hon'ble Commission's views in Tariff order 2021 on the directive of Energy Conservation. GESCOM has taken action to service all the new installations only after ensuring that the BEE ***** (Bureau of Energy Efficiency five-star rating) rated Air conditions, Fans, Refrigerators, etc., are being installed in the applicant consumer's premises. GESCOM Officers SEEs / EEs are strictly instructed to select the new installation serviced on random basis and inspect for cross checking for having adhered to the directive. Also letter No GESCOM/D(T)/CEE(O)/EEE(DSM)/AEE(DSM)/2021-22/27697-700 dated 30.10.2021 is addressed to the Regional Manager (T), M/s Energy Effieciency Services Ltd Begaluru to increase the outlets in GESCOM area for increasing the sales of LEDs Bulbs, Tube Lights and 5 Star rated ceiling fans. GESCOM has noted the direction of Hon'ble Commission i.e., practical difficulty faced by GESCOM in implementing the directive and the partial modification of directive i.e., at the time of servicing the new street lights / high mast street lights to ensure that such installation including extensions made to the existing streetlight circuits, are serviced with LED lamps / energy efficient induction lamps and the compliance has been submitted to the Hon'ble Commission on quarterly basis and the progress / compliance of this directive will be submitted on every quarterly basis in future also.

GESCOM has conducted awareness programme to domestic, commercial & industrial consumers to create awareness and convey the benefits of using five star rated equipment certified by the Bureau of Energy Efficiency in reduction of their monthly electricity bills and conservations of precious energy during consumer interaction meeting at Sub-division level and also by the activities through print media,etc.,

GESCOM has submitted the energy savings calculation for saving the energy by selling the LED bulbs, EE fans, EE tubelights etc.,

In addition to the above narrated activities the following Consumer Awareness Programmers are held in GESCOM jurisdiction.

- Deepawali Special Magazine notification on electrical safety and Energy conservation.
- Deepawali Special Magazine notification on electrical safety and Energy conservation.

In its replies to preliminary observations, GESCOM has submitted that:

Statement showing the new installations Serviced & inspected by O&M SEE / EEE of respective Divisions in GESCOM jurisdictions for FY 2021-22 is submitted. However, GESCOM will continue to take action for inspection of new installations serviced by the Senior Officers for effective implementation of the directive. GESCOM is continuously promoting the use of Energy Efficient appliance and sales of LED bulb. The sales of EE appliances and energy savings during FY22 (April 2021 to November 2021) is 0.972 MU and Rs.0.746 Crores.
GESCOM has implemented Energy conservation measure in 157 GESCOM Offices and buildings and the energy savings are as follows:

Energy Conservation : GESCOM Offices and buildings				
Energy Efficiency Equipments	Qty	Achievement of Annual energy savings		Investment incurred on the project (In crores)
		Electricity (MUs)	Total savings (In crores)	
LED Tube light 20W	5123	0.49	0.27	NA
EE Ceiling Fan (5 star) 50W	2087	0.05	0.03	NA
AC (5 star) avg 1000W	291	0.15	0.08	NA
Total		**0.70**	**0.39**	

Commission's Views:

The Commission has observed that, the GESCOM has not submitted the compliance reports regularly on implementation of the directive as directed by the Commission. GESCOM has to submit compliance report on the directive once in a quarter by updating the status of implementation.

GESCOM has not furnished information on issue of any Circulars towards implementation of the directive.

While appreciating the efforts of GESCOM in selling energy efficient bulbs and fans in its jurisdiction, the Commission notes that the sales figures indicated by GESCOM are not encouraging.

It is also observed that GESCOM has merely stated that it is ensuring on servicing the consumer installations with 5 star rated equipment without elaborating on this or submitting the detailed progress made. The Commission is of the view that, merely pursuing / ensuring the consumer to provide 5 star rated equipment without actually doing nothing in the field, is highly misleading and amounts to non-compliance of the directive by the GESCOM. The GESCOM needs to verify factually as to whether there is any progress made in the field in servicing of the BEE 5-star rated equipment such as Air Conditioners, Fans, Refrigerators, etc., in the consumers' premises. Also, The GESCOM needs to review the implementation of the directive with the field officers periodically to know about the progress.

The Commission notes that the GESCOM has not submitted the compliance in respect of ensuring and providing LED lamps / energy efficient lamps while servicing of new streetlight / high mast installations including extensions made to the existing streetlight circuits. This shows that the GESCOM has not implemented the directive in its letter and spirit, to take forward the initiative of conservation of energy.

It is also noted that the GESCOM has implemented "Hosa Belaku" and "Pavan" programme under which it is distributing energy efficient lamps, fans, etc., to the consumers which appears to have had limited success.

With this, the Commission finds that the progress in implementation of this directive is very poor. Therefore, the Commission directs GESCOM to focus effectively on implementation of this directive by reviewing periodically the progress of implementation in the field and take necessary corrective steps.

Commission take note of the the GESCOM and appreciates its efforts in implementing the energy conservation activity in 157 of its offices.

Further, the Commission directs GESCOM to conduct the awareness programs to the consumers / public, for use of LED bulbs, energy efficient electrical equipment etc., by making use of the fund reserved for customer relation / education program.

The Commission reiterates its directive with the directions to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that the LED lamps / energy efficient lamps like induction lamps are provided to the street lights and the compliance thereon shall be submitted to the Commission, once in a quarter on a regular basis.

Since the directive on use of energy efficient by consumers is of only advisory in natute and is not directly related to ESCOMs but at the same time not difficult to implement, in the interest of the energy conservation, the Commission directs GESCOM to continue its efforts towards the conservation of energy. Hence, the Commission would not pursue this Directive hereafter and hereby drops the directive.

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

The GESCOM was directed to implement the specified Standards of Performance strictly, while rendering services related to supply of power as per the KERC (Licensees' Standards of Performance) Regulations, 2004. Further, the GESCOM was directed to display prominently, in both Kannada & English languages, the details of various critical services such as replacing the failed transformers, attending to fuse off call / line breakdown complaints, arranging new services, change of faulty meters, reconnection of power supply, etc., rendered by it as per Schedule-I of the KERC (Licensees' Standards of Performance) Regulations, 2004 and Annexure-I of the KERC (Consumer Complaints Handling Procedure) Regulations, 2004, on the notice boards in offices of all the O & M Sections and O & M Sub-Divisions, in its jurisdiction for the information of consumers as per the format given in the previous Tariff Order.

Compliance by the GESCOM:

The GESCOM has noted the Commission's views in the Tariff Order 2021 on the directive on implementation of Standard of Performance (SOP) and has displayed the details of specified standards of performance on its Boards / Notice boards in all its O&M Sections and Sub-division offices for the information of the consumers and also hosted in GESCOM Website.

GESCOM has instructed all the Executive Engineers of O&M Divisions to give wide publicity regarding the Electricity Rights of consumers (Rules 2020) vide letter No CEE(O)/EE(RA)/AEE(T)/2021-22/47130-56 dated 06.02.2021.

It is submitted that GESCOM has conducted Awareness programs through Vedeo conference at O&M Circle level to all the officers on different dates i.e., on 09.08.2021, 10.08.2021 11.08.2021,12.08.2021 and 13.08.2021 also on 06.11.2021 the details are shown in the letter No CEE(Opern)/EE(RA)/AEE(RA)/2020-21/Cys-101 dated 05.08.2021 & No CEE(Opern)/EE(RA)/AEE(RA)/2020-21/Cys-160 Dated 04.11.2021. During this it was explained specifically in detail about each and every Directives and also it was informed to effectively implement the same with out any deviation as per the Hon'ble Commision's Directions and the Standard of performance was explained in separate session restricting it to each nature of service along with the subject of Electricity Rights of Consumers (Rules 2020) it was instructed to implement as per Notification issued in December 2020 by MoP, GoI. It was also informed to give wide publicity of the subject and its benifit to the consumers and public, the campaigning was carried out both at Taluk and Hobli level and educate consumers about benefits of the standards of performance in rendering various services to consumers in time bound manner and if the services are not provided with in specified time limits, they can file complaint before CGRF in the form-A. On any violation the erring Officers has to pay compensation to the Consumers.

GESCOM has instructed the SEE / EE to recognize the best performing Sub-division / Section and incentivize the personnel in terms of adherence to SoP.

During inspection of Sub-divisions by the Senior Officers of GESCOM, it was found that services rendered as per SoP standards are complied with and the compliances are submitted every month to the Commission. GESCOM is following the system / mechanism to recognize best performing officers / offices in its jurisdiction to incentivize better performance and recognizing the best performing Sub-Division / section in terms of adherence to SoP and publicizing such recognition so as to incentivize better performance from the officers / personnel concerned.

In its replies to preliminary observations, GESCOM has submitted that:

GESCOM has implemented Standards of Performance (SoP) and is being practiced in offices of GESCOM to deliver quality service to its customers.

SoP Boards have been displayed at GESCOM's Section, Subdivision, Division, Circle, and Zonal Offices (Sample photos enclosed).

GESCOM conducted orientation programmes 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 distributed Handbook on SoP to staff.

GESCOM is conducting awareness campaign at the subdivision headquarters and Hobli levels for educating the public about the Standards of Performance prescribed by the Commission on every 3rd Saturday during conduct of Customer Interaction Meetings (CIMs) Chaired by AEE and also schedule dates for CIM Chaired by SEEs / EEEs monthly or quarterly and discusses with consumers regarding Standards of Performance, Electricity Safety, Energy Conservation etc., This will be extended to other Hobli centres.

Commission's Views:

In view of the fact that the Karnataka State has surplus power availability, it has become all the more essential duty of GESCOM to supply quality and reliable power to consumers. Hence, the Standards of Performance (SoP) for Distribution Licensees specified by the Commission need to be implemented in all its letter and spirit.

The Commission while taking note of compliance by GESCOM, reiterates that the GESCOM shall continue to adhere to the specified Standards of Performance in rendering various services to consumers, in a time bound manner.

The Commission is of the view that the consumers are generally not aware of the SoP prescribed and as a result, the consumers are facing difficulty in getting prompt services. As per the submissions made by GESCOM in its Tariff filing, in spite of the directives issued, the Commission has noted that, GESCOM has not furnished the details of the conduct of awareness campaigns in the Hobli levels for educating consumers about the Standards of Performance (SoP) and orientation programs for educating the officers and field staff up to the level of lineman in the area of its operation to make them aware that they have to render the various services within a time bound manner failing which they have to pay compensation to the consumers. GESCOM has simply informing that it has conducted, but has not furnished the date, venue, etc.,

Hence, the Commission, while noting the GESCOM's compliance, reiterates that the GESCOM shall continue to adhere to the directives on the specified

Standards of Performance in rendering various services to consumers in a time bound manner.

Further, the Commission directs the GESCOM 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. The Commission also directs GESCOM to continue to submit the details of number of violations of SoP by officers, Sub-Division wise, month-wise, amount of penalty levied on the officers and the amount paid to the consumers for any delay in service.

The Commission also directs the GESCOM to take action to continue to display the SoP in the prescribed formats in its official website for information of the consumers.

SoP should be displayed in each Section Office and Sub-Division Office, in a conspicuous place, which can be viewed by all the visitors to the Office. At the end of SoP, it should be mentioned that, consumers can claim the compensation from the concerned officer by filing a complaint before the CGRF in the Form - A, available in the KERC (CGRF and Ombudsman) Regulations, 2004.

The Commission reiterates and directs GESCOM to continue the conduct of awareness campaign at the Taluk / Hobli levels for educating the public about the Standards of Performance prescribed by the Commission. GESCOM shall 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.

GESCOM has not furnished any information on publication and circulation of the Hand book on the SoP. Hence, the Commission directs that, GESCOM shall continue to update and keep circulating the "HAND BOOK" (Kaipidi in Kannada) on the SoP and arrange to distribute to all the staff and stake holders.

GESCOM shall continue and bring in a system / mechanism to recognize best performing officers / offices in its jurisdiction to incentivize better performance. GESCOM shall consider and put in place a system / mechanism of recognizing the best performing Sub-Division / section in terms of adherence to SoP and publicize such recognition so as to incentivize better performance from the officers / personnel concerned.

GESCOM is hereby directed to conduct awareness programme to its officers and staff on these Rules and ensure that these Rules are implemented in all its letter and spirit. The Commission would regularly monitor the implementation of these Rules by the ESCOMs.

The Commission reiterates that, the GESCOM shall continue to strictly implement the specified SoP while rendering services relating to supply of electricity as per the KERC (Licensees' Standards of Performance) Regulations, 2004. The compliance in this regard shall be submitted once in a quarter to the Commission regularly.

5. Directive on use of safety gear by linemen:

With a view to reducing the electrical accidents to the linemen / staff working in the field, the Commission had directed the GESCOM to ensure that all the Power men in its jurisdiction are provided with proper and adequate safety gears and also ensure that the linemen use such safety gears while working on the network. The GESCOM was directed to sensitise the Power men about the need for adoption of safety measures in their work through suitably designed training and awareness programmes. The GESCOM was also directed to device suitable reporting system on the use of safety gear and mandate supervisory / higher officers to regularly cross check the compliance by the linemen and take disciplinary action on the concerned if violations are noticed. The GESCOM was required to implement this directive within one month from the date of the order and submit compliance report to the Commission.

Compliance by the GESCOM:

The GESCOM has noted the Commission's views in Tariff Order 2021on use of safety gears by linemen. GESCOM has taken steps to prevent electrical accident while carrying out the work on the distribution network by the field staff by providing safety gear and imparted appropriate training. Also, electrical safety work shops are being conducted in every division related to adherence to safety aspects / procedure so that they carry out the works with all safety measures effectively. Necessary circulars have been issued in this regard and also the inventory of all safety gears / equipment is maintained at various levels for having issued the materials to its maintenance staff.

Action is being taken against the Field Officers / Power men for not adhering to Safety Principles. Brief description on the methodology / practices adopted towards Safety are:

1) All kind of Safety Equipment such as helmets, safety Belts, Hand Gloves, Earthing Rods, live line testers, hand torches etc., were distributed to power men.
2) Strict guidelines & instructions have been issued to all the Powermen to use the safety gear in day to day routine works and officials to ascertain the use of safety gear by Powermen working under them.
3) Penalty of Rs.1,000 on power men at each instance of violations for not using the safety gear during the work was imposed in all the Divisions / Sub-divisions / Sections. The Executive Engineers / Assistant Executive Engineers / Police Inspectors of vigilance Wings are strictly instructed for taking action as per the corporate office order. The Power Men are subjected to surprise checks/ inspections by the CEE / SEE / EEE / AEE / Vigilance Cell, to ensure that the work is carried out by using safety gear as per Corporate Office Order.
4) As per the directions of Corporate office, the field officers are visiting the place of works being carried out, to verify the usage of safety equipment by the GESCOM staff and are imposing penalty on default power men.
5) For the safety of the staff working in field, on need basis GESCOM is procuring the safety equipment on a regular basis. In the year 2014-15 and 2019-20 safety helmets with induction tester, in 2017-18 and 2019-20 Rubber hand

Gloves and in 2017-18, 2019-20 & 2020-21 Tool Kit with bags were procured from Corporate office and provided to all the field staff.

In addition to above, purchase grants to O&M Divisions were released for procurement of essential items such as Earthing Rods, LED Torch and Line testers. Same of them were procured at the division level and provided to field staff during 2019-20. Further, on need basis corporate office will release the purchase grants to O&M divisions.

All the above safety gears are in good condition and are being used till date. Presently, the tender is under progress for procurement of safety belts with accessories.

In its replies to preliminary observations, GESCOM has submitted that:

As per the observations made by the Commission, GESCOM has submited the details of number of linemen working on both regular and contact basis nad accordingly the safety gears provided with complete set to power men / Asst., Power men and Junior Power men is furnished.

GESCOM is also releasing purchase grants for T&P materials to O&M Zones / Divisions as and when requisitioned.

Commission's Views:

It has been brought to the notice of the Commission by the consumers and also as per the reports of the CEIG on accidents it is seen that the safety gears / equipment are not being used by all the linemen at work in the field and hence the number of electrical accidents are increasing every year. The Commission considers that not providing appropriate safety gear / equipment to the staff at work place and not insisting on their use amounts to a serious violation of human rights.

Adequate quantities of all safety gears / equipment shall be procured periodically and sufficient inventory of these materials shall also be maintained. GESCOM should take action to empanel suppliers of safety gear / equipment, so that the procurement process is done quickly.

The Commission further notes that electrical accidents are occurring in the distribution system mainly due to non-adherence to safety procedures by the field staff, while working on the distribution network. Therefore, it is very important that the GESCOM should focus on safety aspects in its operations with a view to reduce or minimize the electrical accidents. Also, imparting training to all the field staff on safety aspects periodically should become part of the routine.

The Commission notes that, the GESCOM has not furnished any details on the strategy chalked out by it in respect of reducing the electrical accidents. It is noted that no details of any exclusive training being organized on safety aspects to the Power men, are submitted to the Commission. The Power men and other field staff should be given appropriate training periodically on adherence to safety aspects / procedure, and such training modules should include case studies so that the training is current and relevant, so that they carry out their work safely / effectively. The case studies should be based on the actual accidents that have taken place in GESCOM / Other ESCOMs giving specific instances of non-adherence of safety procedures, resulting in the accidents.

The Commission, while taking note of the compliance by GESCOM on the directive, stresses that the GESCOM should continue to give attention to safety aspects in order to reduce and prevent electrical accidents occurring due to negligence / non-adherence of safety procedures by the field staff while carrying out the work on the distribution network.

The Commission hereby directs that adequate quantities of all safety gears / equipment shall be procured periodically and sufficient inventory of these materials shall also be maintained. GESCOM should take action to empanel suppliers of safety gear / equipment, so that the procurement is quicker and regular.

The Commission reiterates its directive that the GESCOM shall ensure that, all the linemen and other field staff are provided with adequate and appropriate safety equipment. The linemen and other field staff should use the same while carrying out the work in the field. The compliance in this regard shall be submitted once in a quarter to the Commission regularly. Protocols should be drawn on procedures to be adopted / roles and responsibilities fixed in respect of all those involved in working on (live) lines / installations for repairs etc., based on the case studies.

6. Directive on providing Timer Switches to Streetlights by the GESCOM

The Commission has directed GESCOM to install timer switches using own funds to all the streetlight installations in its jurisdiction wherever the local bodies have not provided the same and later recover the cost from them. The Commission had also directed that GESCOM shall take up periodical inspection of timer switches installed and ensure that they are in working conditions. It was directed that they shall undertake necessary repairs / replacement work, if required and later recover the cost from local bodies. The compliance regarding the progress of installation of timer switches to street light installations shall be reported to the Commission within three months of the issue of this Order.

Compliance by the GESCOM:

The GESCOM has noted the Hon'ble Commission's views in the Tariff Order 2020 and Tariff Order 2021 & noted the Hon'ble Commission's partial modification of the directive, i.e., directing to ensure that, while servicing all the new streetlight installations or any extension / modification to be carried out to the existing streetlight installations, shall be serviced only with timer switches. The compliance in this regard shall be submitted once in a quarter, regularly, to the Commission. GESCOM reiterates and will adhere to the directions of the Hon'ble Commission and will submit the compliance on every quarter. The Executive Engineers of O&M Divisions are directed to pursue and co ordinate with the Commissioners of Kalaburagi and Ballari to repair the faulty timer switches and instructed not to service all the new streetlight installations or any extension / modification to be carried out to the existing streetlight installations without Timer Switches vide T.O letter No GESCOM / D(T) / CEE(O) / EE(DSM) / AEE(DSM) / 2021-22 / 27670-96 dated 30.10.2021, and several other letters were addressed to the Executive Engineers of O&M Divisions.

Out of 14759 street light installations, 2070 street light installations are provided with timer switches.

For providing timer swiches for rest of the installations, various letter corespondences are made to the authorities of local bodies as street light installations are mantained by them.

The letters addressed to Commissioners' of Kalaburagi corporation, Ballri corporation and CEOs' of Zilla Panchayat for fixing of Timer switches to street lights.

In its replies to preliminary observations, GESCOM has furnished that:

GESCOM has submitted the quarterly progress report to the Hon'ble Commission in respect of installation of Timer Switches to the Street light installations also the progress up to November 2021 of FY22 is submitted in the Tariff Application.

GESCOM is strictly implementing the directive on providing timer switches to street lights and also during servicing of the new street light / additional circuit of street lights GESCOM is ensuring LED / Energy efficient lamps are being used. Henceforth GESCOM assures the Hon'ble Commission that the directive will be strictly implemented.

Commission's Views:

The Commission notes that, as per the details furnished, the timer switches are provided to only 107 streetlight installations out of the 297 new streetlight installations serviced during FY21. Whereas all the 229 installations are provided with the timer switches that are serviced during the first two quarters of FY22.

During the public hearing, the consumers have raised concern that at several places, the street lights are unmetered and many a times, the street lights remain glowing even during day times.

The Commission notes that the progress of providing timer switches to street lights during FY21 as compared to the previous year is very poor. From the above, it can be seen that, GESCOM has serviced the streetlight installations without the timer switches in FY21, in spite of the directives. But, the Commission has taken note that, all the installations serviced during the first two quarters of FY22 are provided with timer switches. GESCOM has to give adequate focus to this issue and has to coordinate with the concerned local authorities in installation of timer switches while servicing the new street light installations.

Thus, the inaction and failure of the GESCOM during FY21 has actually resulted in increase in the number of street light installation requiring timer switches. Failure to remedy this situation would not only result in wastage of electricity, but also shorten the life of the installations and resultant avoidable expenditure on their replacement. GESCOM should seriously pursue this matter with the concerned local authorities, strictly ensure fixing of timer switches while servicing the new installations and also repairs of faulty timer switches. This is a continuous action, and if timely action is not initiated, it results in wastage of electricity and the the very purpose of energy conservation is defeated.

The Commission has noted the fact that, providing the timer switches to the street light installations fall under the purview of the Municipal administration. At the same time it is the duty of the Distribution Licensee to adhere to the directives of the Commission while servicing the new or the extended circuit of the street light installations by getting the timers switches installed. Hence, directs GESCOM to service the new or the extended circuit of the street light installations only with the timer switches and energy efficient lamps. GESCOM should Initiate necessary disciplinary action on the erring officers, who service such street light installations without a timer switch and energy efficient lamps.

GESCOM shall also explore the possibilities of fixing the timer switches to the existing street light installations through Corporate Social Responsibility activities and availing the services of EESL etc.,

As GESCOM is not directly responsible for providing timer switches to the street light installations but has to depend on the municipal authorities, the Commission decides not to pursue this matter further and decides to drop this directive.

7. Directive on Load Shedding:

In respect of Load Shedding, the Commission had directed that:

i) Load shedding required for planned maintenance of transmission / distribution networks should be notified in daily newspapers at least 24 hours in advance for the information of consumers.
ii) The ESCOMs shall, on a daily basis, estimate the hourly requirement of power for each sub-station in their jurisdiction based on the seasonal conditions and other factors affecting demand.
iii) Any likelihood of shortfall in the availability during the course of the day should be anticipated and the quantum of load shedding should be estimated in advance. Specific sub-stations and feeders should be identified for load shedding for the minimum required period with due intimation to the concerned Sub-Divisions and sub-stations.
iv) The likelihood of interruption in power supply with time and duration of such interruptions may be intimated to consumers through SMS and other means.
v) Where load shedding has to be resorted due to unforeseen reduction in the availability of power, or for other reasons, important consumers may be informed of the likely time of restoration of supply through SMS and other means.
vi) Load shedding should be carried out in different sub-stations / feeders by rotations, to avoid frequent load shedding affecting the same sub-stations / feeders.
vii) The ESCOMs should review the availability of power with respect to the projected demand for every month in the last week of the previous month and forecast any unavoidable load shedding after consulting other ESCOMs

in the State about the possibility of inter-ESCOM load adjustment during the month.

viii) The ESCOMs shall submit to the Commission their projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month for approval.

ix) The ESCOMs shall also propose specific measures for minimizing load shedding by spot purchase of power in the power exchanges or bridging the gap by other means.

x) The ESCOMs shall submit to the Commission sub-station-wise and feeder-wise data on interruptions in power supply every month before the 5th day of the succeeding month.

The Commission had directed that the ESCOMs shall make every effort to minimize inconvenience to consumers by strictly complying with the above directions. The Commission had indicated that it would review the compliance of directions on a monthly basis for appropriate orders.

Compliance by the GESCOM:

The GESCOM has noted the Commission's views in the Tariff Order 2021. Urja Mitra mobile app has been introduced in GESCOM and about 22.87 Lakhs consumers have been benefited by this app in knowing the scheduled outages and other issue related to power supply. Central Government has ranked GESCOM 3rd among all DISCOMs at the national level in usage of Urja Mitra portal in October 2019.

GESCOM has taken remedies to minimize power supply interruptions and presently the Reliability Index is 96.54%.

GESCOM is the only ESCOM having 34 transformer repair centres. GESCOM has adhered to SOP and SAKALA to replace the failed DTCs within 24 hours in cities and 72 hours in rural areas.

URJA MITRA Software is being used for emanating Interruption Messages to Consumers.

O&M Division offices are intimating 24 Hours in advance to the consumers regarding planned maintenance of transmission / distribution networks to be carried out is notified in the newspapers.

As per requirement of 220 KV Stations and down streams, GESCOM is submitting the block-wise day ahead requirement of power and energy on seasonal condition to the SLDC Bangalore through e-mail. In turn everyday SLDC will issue availability of power & energy one day in advance for GESCOM. Accordingly re-scheduling of power & energy will be done at 220 KV level Receiving Stations.

Whenever there is loss of generation, SLDC will intimate GESCOM for restricting the load. Accordingly, GESCOM will restrict the load based on the real time schedule given by the SLDC. The load will be restricted based on the 220KV R/S wise percentage of allocation chart and by communicating all the substations and the concerned nodal officers for proper monitoring of power supply timings in batches with intimation to the concerned sub-division officers.

Whenever there is scheduled load shedding in GESCOM area, the duration of the shutdown is being intimated to the GESCOM consumers, through SMS by URJA MITRA App.

For unforeseen interruptions, only high revenue yielding consumers are being intimated by the concerned O&M sub-divisional officers over phone. Also consumers are being intimated about the likely time of power supply restoration whenever consumers enquie through 1912.

At present no load shedding is being carried out in GESCOM area. Whenever there is a loss of generation, as per the instruction of SLDC, load shedding is being implemented and is being monitored by the concerned nodal officers to avoid frequent load shedding of the same Sub-stations / Feeders depending on rotation basis.

GESCOM is reviewing the availability of power with respect to the projected demand for every month in the last week of the previous month and forecast any unavoidable load shedding.

The projection of availability is done from SLDC Bangalore. The Projections of Power Demand and Energy Requirement upto September 2021 is furnished.

No Load shedding for Urban, NJY, Water Supply & Industrial Areas is being done in GESCOM. And for Rural & EIP Set feeders, power supply is being arranged as per GoK orders. The unavoidable load shedding is being intimated by SLDC, Bangalore whenever required.

GESCOM is submitting feeder-wise interruption details such as, number of interruptions and duration of scheduled & unscheduled interruptions to KERC every month. The GESCOM is taking all possible measures, based on the real time schedule allocation by SLDC to minimize the inconvenience to the consumers and to improve the quality & reliability of power supply.

GESCOM will submit to the Commission about the compliance on the directive on load shedding regularly.

The GESCOM has noted the Commission's views in the Tariff Order 2021. The Commission directs GESCOM to take remedial measures to minimize power supply interruptions and ensure 24 x 7 power supply. As per the directions of Commission GESCOM has already initiated action to minimize power supply interruptions and ensure 24 x 7 power supply and in this regard regular inspection of the Elements of Distribution System for identifying and rectification of discrepancies for existing / ongoing / completed works and the targets are being fixed to Divisions / Sub-divisions / Sections for inspections of System and the progress is being monitored and reviewed during meetings conducted at Circle / Zonal / Corporate Office level on Monthly / quarterly basis.

Inspection of all materials required for ongoing works is being carried out by the TA&QC wing of GESCOM at factory site before dispatch. And inspection of materials used in completed woks is being carried out by TA&QC as well as concerned Works Unit Officer at the time of joint inventory inspections.

Due to above efforts, Time taken for attending the consumer complaints is Minimum 00.25 Mins to Maximumum 06.10Hrs during FY21 and 00.25 Mins to Maximumum 06.00Hrs during FY22. This is well within the specified time duration as per the SoP. The details of calls received and call attended during FY21 and FY22 is shown in the compliance to the Directive on Establishing a 24 x 7 Fully Equipped Centralized Consumer Service Center for Redressal of Consumer Complaints.

Distribution Transformer Failure:

1) To reduce the Transformer failures GESCOM has taken several steps which are as follows:
   a. Buffer stocks of repaired good transformers are kept in the 16 Divisional Stores and Regional stores. Further as at the end of 31.10.2021 there are 1000 Nos & 815 Nos of New & repaired good Transformers Totaling to 1815 Stock that are available at Stores & bank respectively. Failed transformers are being replaced with in 24Hrs as per the directions of Hon'ble Minister of Power, GoK and K.E.R.C norms by using the transformers available at divisional stores and the banks. In this regard wide publicity is being given to consumers through paper notification in English and Kannada leading news paper The Hindu and Prajavani.
   b. The failed transformers in the field are immediately replaced with the repaired good transformers, which are available at the bank iwithin 24 Hrs. Subsequently, the transformers at the bank are replenished again by repaired good transformers.
   c. GESCOM has established 34 Nos of Transformer repair centers at Taluk level for carrying out repairs and reconditioning of failed Distribution Transformers of various capacities from 15KVA to 250KVA of both Conventional and Star Rated Transformers and conversion of CSP to Conventional bolt & nut type.

d. The work of carrying out repairs to faulty Distribution Transformers at Repair Centers are awarded to the Agencies who have complied with the Technical & Financial Qualifying Requirements prescribed in the tender document.

e. The required tests as per IS are conducted as per the standard of Testing before and after repair of transformers.

f. Repair activities at Repair Center are monitored by GESCOM.

g. Distribution Transformer Test benches are established at the division levels of GESCOM to check the efficiency and quality of the Transformers.

h. GESCOM has taken action to purchase Transformers from reputed manufacturers and also from Government undertakings such as KAVIKA, and KEL.

i. Consumers can register their complaints regarding transformer failure in PGRS application (1912). The acknowledgement will be sent to consumers through SMS.

2) The field officers have been directed during the Review meetings at various levels to take up periodical maintenance of distribution transformers to reduce the failure rate and also to carryout following activities:

a. To refurbish the DTC's with the materials available at stores.

b. To use the proper / rated Fuses.

c. To supervise the repair process & testing of repaired transformers as per technical specification.

d. To carryout maintenance of lines and transformers to avoid failure of distribution transformers.

3) GESCOM has taken action to conduct orientation program workshop to the field staff to motivate them for attending to minor faults at site itself in co-ordination with the agencies who have been entrusted to carryout repairs to faulty Distribution transformers which are established at taluk level. Hence the concerned Executive Engineers and Assistant Executive Engineers were been advised to take up the orientation program at their respective Division / Sub Division.

4) GESCOM is also carrying out failure analysis of failure of Distribution Transformers by EEs of O&M and AEE Office of Division.
5) All the relevant parts such as Supports, Connections, Fuses (HT & LT), Oil, Bushings, Arcing horns, Breather, Earthing, Danger Plate & Anti Climbing Devices, Explosion vent diaphragm, General conditions of the Transformers, LT Switch / LT Protection kit, Lightning Arrestors & G.O. Switches are thoroughly checked in order to avoid minor faults at the site and provide uninterrupted power supply to the consumers.
6) As stated by the field officers in GESCOM Jurisdiction preventive measures as per the K.E.R.C norms and GESCOM Norms are being followed scrupulously to reduce the failure rate of the Distribution Transformers with following precautionary measures:

    a. Checking of Earthing Connection and lighting if required.
    b. Provide additional grounding for neutral if required.
    c. Replacement burnt out / damaged LT lead Wire on LT side.
    d. Tightening of lead connection with LT & HT bushing and cleaning of bushing.
    e. Replacement of damaged limb of LT protection Kit.
    f. Replacement of flashed over lightening Arrestors.
    g. Replacement of Damaged limbs of HG fuse unit.
    h. Arresting oil leakage from transformer if required.
    i. Cleaning of transformer Bushing.
    j. Cleaning around transformer structure.
    k. Straitening of slanted DTC structure with securing correctly to guy sets to provide to DTC.
    l. Topping up of oil where ever required.
    m. Balancing of load on all 3-Phases of LT side.
    n. Tongue Tester Reading of each phase to be recorded prior to maintenance work.
    o. Should check status of DTC metering circuit etc.,

All the above said parameters are thoroughly checked in order to avoid minor faults at the site by reducing the failure rate of the Distribution Transformers and provide uninterrupted power supply to the consumers.

In its replies to preliminary observations, GESCOM has submitted that:

In GESCOM 22,87,450 consumer details have been updated in Urjamitra portal and outages are communicated to the consumers. The updation of details of balance consumers is under process, the time line for completing the updation of all the installations is the end of March 2022.

Commission's Views

The Commission takes note of the submission of the GESCOM that it has taken action to provide information to the consumers through SMS about the time and duration of interruptions in power supply due to various reasons.

The Commission also notes that, GESCOM is making use of the URJA Mitra App for emanating messages to provide the information of scheduled and unscheduled power outages, emergency outages, restoration time, power outage extension time, etc., due to reasons such as system constraints, breakdowns of lines / equipment, maintenance etc., to the consumers through SMS. GESCOM has to take further steps and speed up to update the database with the entire consumer strength of the Company to make the App effective.

URJA Mitra mobile application, which can be used as a link between the field staff and citizens for facilitation of information dissemination on outage to all consumers through SMS. The application can also be integrated with any other system. This would significantly address the "consumers' dissatisfaction" on this issue and prevent inconvenience / disruption caused to the consumers especially the industrial consumers.

Further, the Commission considers that one of the main reasons for power disruption is the failure of the distribution transformers. The failure rate of distribution transformers is increasing significantly, thus increasing the interruptions which are causing inconvenience to the consumers. The Commission notes that, though the power availability has improved resulting in surplus power situation, the distribution network reliability has not similarly improved, causing frequent disruptions in power supply, which causes hardship to the consumers and also revenue loss to the GESCOM. The Commission directs GESCOM to take remedial measures to minimize power supply interruptions and ensure 24 x 7 power supply. GESCOM shall submit the action plan in this regard to the Commission within 3-months of this Order.

As per the SoP notified by the Commission, the GESCOM is required to restore power supply affected due to DTC failure within 24 Hours in City and Town areas and within 72 Hours in Rural areas. However, during the public hearing the consumers have complained that the GESCOM is not adhering to the SoP fixed by the Commission and that the field officers are not attending to minor faults and are taking longer time for restoring power supply. The Commission notes the reply furnished by the GESCOM that it is adhering to the SoP in respect of replacement of DTCs. GESCOM has not furnished the detailed information in support of its claims. It is further noted that, lack of regular maintenance and poor quality of repairs also have contributed to the increase in number of failures of Distribution Transformers.

Though, the Commission has directed GESCOM to conduct orientation programmes / workshops to the field staff to equip and motivate them to attend to the minor faults at site itself wherever possible and restore power supply as quickly as possible, GESCOM has not mentioned anything on the conduct of orientation program / workshops to the field staff. **Hence, the Commission directs the GESCOM to conduct orientation programmes to the field staff towards motivating them to attend to the minor faults in the field itself and restore the power supply as early as possible. GESCOM is also directed to take up strict supervision over repairs to the transformers and ensure good quality repairs and fix personal responsibility on the erring staff / officer.**

Further, the Commission directs, the GESCOM to continue to submit projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month to the Commission regularly, without fail.

The Commission reiterates that the GESCOM shall comply with the directive on load shedding and submit monthly compliance reports thereon to the Commission regularly.

8. Directive on Establishing a 24 x 7 Fully Equipped Centralized Consumer Service Centre for Redressal of Consumer Complaints:

The GESCOM was directed to put in place a 24 x 7 fully equipped Centralized Consumer Service Centre at its Headquarters with a state of the art facility / system for receiving consumer complaints and monitoring their redressal so that electricity consumers in its area of supply are able to seek and obtain timely and efficient services in the matter of their grievances. Such a Service Centre shall have adequate desk operators in each shift so that the consumers across the jurisdiction of the GESCOM are able to lodge their complaints to this Centre.
Every complaint, received through various modes in the centre shall be registered by the desk operator and the complaint register number shall be intimated to the Consumer through SMS. In turn, the complaints shall be transferred online to the concerned field staff for resolving the issue. The concerned O&M / local service station staff shall visit the complainant's premises at the earliest to attend to the complaints and then inform the Centralized Service Centre that the complaint is attended. Then, the desk operator shall call the complainant and confirm with him whether the complaint has been resolved. The complaints shall be closed only after confirmation by the consumer. Such a system should also generate daily reports indicating the number / nature of complaints received, complaints attended, complaints pending and reasons for not attending to the complaints along with the names of the officers responsible with remarks be placed before the Management on the following day for attention to review and take corrective action in case of any pendency / delay in attending to the complaints.

The GESCOM shall publish the details of complaint handling procedure / Mechanism with contact numbers in the local media or in any other form periodically for the information of the consumers.

The Commission had directed the GESCOM to establish / strengthen 24 x 7 service stations, equipping them with separate vehicles & adequate line crew, safety kits and maintenance materials at all its Sub-Divisions including the rural areas for effective redressal of consumer complaints.

Compliance by the GESCOM:

- As of now, the number of GESCOM's consumers have reached more than 34 Lakhs, the average phone calls / complaints received by Centralized Customer Care Centre (CCC) are about 2 Lakhs per month (7,000 per day).
- Presently 15 Desks are functioning round the clock (in three shifts), so that, at a time 15 number of complaints can be received. In addition to existing 15 Desk top, another 5 Desk Tops are sanctioned and will be operated shortly.
- The consumer can contact over Toll free number 1912. There are 51 desk operators for three shifts; in each shift 15 operators for 15 desks are working to attend each and every call.
- Junior Engineer, Assistant Engineer and Assistant Executive Engineers are placed to supervise the over all activities.
- The Employees working in CCC are given suitable training on handling public relation issues. The awareness of CCC is brought to the notice of consumers by wide publicity of the complaint handling procedure / contact number, of the centralized customer care center through local media, by hosting on GESCOM website for the information of public to ensure that all the complaints are registered only through CCC for proper monitoring and disposalof complaints.
- Once the complaints are addressed successfully the consumer is also intimated about the same through SMS.
- GESCOM had also given facility to register their complaints through social media such as;
    - Twitter : Address (Gescom officail)
    - Facebook - ID : (GescomKalaburagi)
    - Whatsapp - No. 9480847593
    - GESCOM Website: http://gescompgrs24x7.com&www.gescom.in

- Also GESCOM Consumer App, Urja Mitra App (to be download from playstore), PGRS Web site are available.

Commission's Views:

The Commission notes that the GESCOM has established the necessary infrastructure for effective redressal of consumer complaints. While taking note of the efforts made by GESCOM, it is observed that, the number of complaints are increasing year on year.

It had come to the notice of the Commission that, complaints have increased on the behavioural attitude of the executives working in the CCC who are deployed through Outsourcing Agency. The Commission is not happy with the reply furnished by GESCOM in respect of imparting training to the executives working in CCC. However, GESCOM shall instruct the agency to impart suitable training and continue to impart such trainings to the executives, on public relations and behavioural aspects, human relations etc., The Commission directs GESCOM to deploy Senior Level Officers to supervise and review all the activities of the CCC, and shall take disciplinary action against erring officials.

GESCOM shall bring in a system of recognizing the best performing customer care executive every week / fortnight / month and publicize such recognition so as to incentivize better performance from them.

The Commission notes that, though the GESCOM has furnished the information on the average time taken to attend to a complaint related to fuse of calls and the HT / LT line / DTC failure in its filing and replies to the preliminary observations, GESCOM has not submitted any kind of analysis based on the time taken to attend the faults as at present and not furnished the efforts made to reduce the downtime further in future.

The Commission directs GESCOM that it should continue its efforts to further improve the delivery of consumer services, especially to further reduce the time required for resolving consumer complaints regarding breakdown of lines / equipment, failure of transformers etc., resulting in interruptions in power supply.

These complaints should be given prompt and effective response. The Commission also directs GESCOM to analyse the nature of complaints registered and take action to minimize the number of complaints.

It is also imperative that necessary steps are taken to continuously sensitize the field-staff about efficient handling of consumer complaints apart from improving their general efficiency.

The Commission reiterates its directive to the GESCOM to continue to periodically publish the complaint handling procedures / contact number of the Centralized Consumer Service Centre in the local media, continue to host it on its website and also publish it through other modes, for the information of public and ensure that all the complaints of consumers are registered only through the Centralized Consumer Service Centre for proper monitoring and disposal of complaints registered. The compliance in this regard shall be furnished once in a quarter regularly, to the Commission.

9. Directive on Energy Audit:

The Commission had directed the GESCOM to prepare a metering plan for energy audit to measure the energy received in each of the Interface Points and to account the energy sales. The Commission had also directed the GESCOM to conduct energy audit and chalk out an action plan to reduce distribution losses to a maximum of 15 percent in the towns / cities having a population of over 50,000, where it is above this level.

The Commission had directed all the ESCOMs to complete installation of meters at the DTCs. In this regard the ESCOMs were required to furnish to the Commission the following information on a monthly basis:

a) Number of DTCs existing in the Company.
b) Number of DTCs already metered.
c) Number of DTCs yet to be metered.
d) Time bound monthly programme for completion of the work.

Compliance by the GESCOM:

GESCOM is regularly conducting energy audit of 2114 number of 11kV feeders of various categories, 12482 DTCs (Other than IP DTCs) and Energy Audit of 21 towns and cities every month and submitting the information to KERC in the prescribed formats quarterly. Energy audit of 11KV feeders and DTCs is reviewed every month at corporate office during division wise / sub-division-wise review meeting wherein reason for the identified high loss areas are discussed and corrective measures are suggested. The NJY feeders with high losses are being reffered to vigilance wing for inspection and initiating the action for remedial measures and submission of the compliance report (The copy of the letter addressed to vigilance authorities and their compliance report is shown below). Further, GESCOM has noted Commission's directions to submit the analysis of energy audit on monthly basis.

GESCOM is conducting sub-division-wise review meetings every month to check the billing efficiency and collection efficiency and also revenue collection against the target set by corporate office so as to reduce the AT&C losses. Apart from this GESCOM has instructed all O&M divisions to take up following activities on high loss feeders and reduce the losses to prescribed limit.

1. 100% tagging of installations to DTCs and DTCs to feeders.
2. Load balancing of DTCs.
3. Ensure 100% billing.
4. Booking of theft cases.
5. Test checking of installations.
6. Inspection of distribution system elements for any defects and rectification thereon.
7. Replacement of DC/MNR meters.
8. Sealing of energy meters.

With the implementation of above activities in a phased manner, there is a decrease in the losses of most of the towns and cities. The details of losses in the

Cities and Towns having high losses for the 1st quarter of FY22 and improvement in losses for the 2nd quarter of FY22.

In GECOM jurisdiction there are 116285 DTCs as on 30.09.2021.Out of which there are 73176 DTCs pertaining to IP category and 750 DTCs pertaining to single installations. There are 42359 Non- IP DTCs which require metering and energy audit. Out of 28757 numbers of metered DTCs, 13050 DTCs are being audited.

Energy audit of feeders and DTCs is being reviewed regularly at Corporate Office during monthly review meeting of all O&M divisions / sub-divisions wherein reason for the identified high loss areas are discussed and corrective measures are suggested. All the divisions have been instructed to take remedial measures in respect of high loss making areas.

GESCOM has conducted workshop on importance of Energy Audit at Corporate office on 03.08.2021 attended by Meter readers, Section officers, JTAs, AEEs and EEs and also officers of IT wing and representatives of TRM agency. During this work shop the methodology of conducting Energy audit is explained and various issues regarding tagging of installations to DTCs and DTCs to feeders are discussed. Various measures to reduce the losses are also discussed. GESCOM has nominated sub-division wise nodal officer and A monitoring officer to look after tagging activity. The nominated nodal officers are also conducting regular meetings with the personals involved in tagging activity of their assigned sub-divisions.

GESCOM has submitted the energy audit details of towns and cities for FY21.

Commission's Views:

The Commission had directed GESCOM to submit the monthly energy audit reports of cities / towns with detailed analysis regularly, to the Commission. The Commission notes with displeasure that GESCOM has not submitted the monthly energy audit reports with detailed analysis regularly to the Commission. Though, GESCOM has informed that it is submitting the reports, it is directed to ensure that the compliances reach the Commission's office at least in future.

From the data of energy audit of major Towns and Cities, it is observed that, the losses in few towns are still high. GESCOM has not furnished the analysis made in respect of towns and cities where the losses are high and the action plan initiated for reducing the losses in such Towns and Cities. The GESCOM needs to conduct energy audit of identified cities / towns and on the basis of energy audit results, **initiate necessary action to reduce the distribution losses and improve collection efficiency so as to achieve the targeted AT & C loss of less than 15 per cent in all the towns**. The GESCOM is directed to focus on the towns and cities having a distribution loss of more than 12% and take corrective measures to bring down the losses to less than 12%. It is also directed to conduct such energy audit and submit compliance thereon every quarter, regularly to the Commission.

As per the data furnished in the present Tariff Filing, GESCOM has informed that the remaining number of DTCs to be metered as 13,602 numbers as on September 2021 excluding the IP DTCs. This shows that, the GESCOM has not completed the metering of the balance DTCs even after a lapse of one year and simply making commitments without fulfilling them.

Despite completion of metering of 28,757 number of DTCs and most of which is having AMI – Automatic (Advanced) Meter Reading Infrastructure, the GESCOM has failed to conduct the energy audit of all the metered DTCs and has not furnished the analysis of the metered DTCs for which the audit has been conducted. GESCOM is expressing the problems with communication, tagging of consumer installations with the respective feeders / DTCs and other issues.

Similarly, GESCOM has not furnished the information on the month-wise energy audit of all the 11 kV lines operating in its jurisdiction regularly to the Commission and just furnished the summary of the 2,163 feeders as on September 2021.

GESCOM has not furnished any information on the analysis made and the action taken on the results of month-wise energy audit of all the 11 kV feeders operating in its jurisdiction. It is evident that the GESCOM is not serious about conducting and analysing energy audit of 11 kV lines and DTC level energy audit and run its business on commercial principles.

It appears that GESCOM is not in a position to complete energy audit as its core function, in spite of spending huge money on RAPDRP project, the TRM and many other software. During public hearing, the stakeholders have also questioned, the rationale of incurring huge expenditure on DTC metering without any benefit to the system or consumers. The action taken by the GESCOM in the matter, so far, is not satisfactory.

As per the data submitted by GESCOM on energy audit of towns and cities, it is observed that the losses in few of the towns are more than 14%. The losses in respect of few towns / cities have increased during FY21 compared to FY20.

The GESCOM is directed to take up energy audit of all the 11 kV feeders, DTCs, which are said to be metered and the energy audit of major Cities / Towns and take remedial measures for reducing energy losses in the high loss-making distribution areas. **The compliance in respect of energy audit conducted along with the details of analysis and the remedial action initiated to reduce loss levels, shall be regularly submitted to the Commission on a quarterly basis.**

The Commission directs GESCOM to conduct workshops at the Division Office level, for educating the officers of all cadres on the importance of conducting the feeder-wise, DTC-wise energy audit, etc., and motivating them to take action to reduce the losses in their areas, address issues relating to consumer tagging, recognise the importance of metering of installations and maintaining the meters in good condition, strictly servicing all the new installations by providing appropriate energy meters, maintaining energy meters provided to the DTCs, Metering of Street light installations, replacement of electro-mechanical meters etc.,

An action plan on conducting such workshops shall be submitted by GESCOM within 60 days from the date of this order. The feeder-wise and DTC-wise energy audits shall be reviewed in the review meetings at the Circle level every month. Copy of the proceedings of such meetings shall be sent to the Commission for information and further review.

GESCOM has not justified the reasons for not conducting / analysing and taking remedial action on the energy audit in respect of Towns and Cities, 11 kV feeders, DTCs and LT lines and the Commission directs GESCOM to submit the consolidated energy audit report for the FY22 before 30th June, 2022, as per the formats prescribed by the Commission.

10. Directive on Niranthara Jyothi – Feeder Separation:

The GESCOM was directed to furnish to the Commission, the programme of implementing 11 KV taluk-wise feeders' segregation with the following details:

a) Number of 11 KV feeders considered for segregation.
b) Month-wise time schedule for completion of envisaged work.
c) Improvement achieved in supply after segregation of feeders.

Compliance by the GESCOM:

The GESCOM has noted the Commissions views in the Tariff order 2019, Tariff Order 2020 and Tariff Order 2021 on Directive on Niranthara Jyothi – Feeder Separation. GESCOM has commissioned all the feeders taken up under NJY scheme phase-1 and phase-2 and phase-3 and feeder which have not completed in NJY are taken up in DDUGJY schemes.

NJY scheme is closed in March-2020. All the proposed feeders' work have been completed and the closure report is submitted.

GESCOM has taken the DDUGJY project for strengthening/improvement of its distribution system. The feeders / villages which are not covered under NJY are also covered under DDUGJY and 272 numbers of feeders envisaged are commissioned.

GESCOM has taken action for checking of illegal tapping on NJY feeder by the farmers and the vigilance wing are instructed to compulsorily inspect and take the action if any on the farmers for violation, i.e., getting power supply to their IP

Sets through illegal tapping on the feeders which are feeding other then IP Set installationsby targeting the feeders having highest loss level in GESCOM.

In its replies to preliminary observations, GESCOM has stated that:

As per the observation made by the Commission on Table-29 page-72 of Tariff Application that GESCOM has reported the number of hours of Power supply given on Agriculture feeder is 22.00 to 24.00 Hours. It is hereby clarified that the Table-29 is comprising of the data related to NJY Feeder separation and the numbers of hours of power supply arranged to consumers connected to NJY feeders, due to typing error, at Colum No 14 of table -29, it was mentioned as numbers of hours of power supply given on agriculture feeders instead of NJY Feeders. In the light of above clarification, it may kindly be considered, number of hours of power supply arranged to the Agriculture feeders are on an average of 7 hours only as per GoK guidelines.

Commission's Views:

The Commission notes that the GESCOM has commissioned all the feeders taken up under NJY scheme phase -1 and phase – 2 and the feeders segregation work under DDUGJY scheme.

The GESCOM is directed to carry out the feeder-wise analysis to ensure that the objectives set out in the DPR of NJY scheme are accomplished. Further, the GESCOM shall continue to ensure that, any illegal tapping of NJY feeders by the farmers for running their IP-sets should be stopped. Failure to stop this illegal activity will defeat the very purpose of feeder segregation works undertaken at a huge cost and therefore, GESCOM needs to take stern action on such offenders. Further, the field officers / officials who fail to curb illegal tapping shall be personally held responsible for these irregularities.

Since the Commission has observed that, GESCOM has segregated substantial number of feeders under different phases of NJY and other schemes / routines work flows, therefore, the Commission directs the GESCOM to continue to report every month, the specific consumption and the overall IP set consumption, only on the basis of the data from energy meters installed to the agricultural feeders, as per the prescribed formats. Any data furnished based on other assumption will not be considered by the Commission.

The Commission reiterates its directive to the GESCOM as above. Further directs that, the GESCOM shall take into consideration the requirement of segregated agricultural feeders while taking up the work of commissioning of new feeders which will help GESCOM to provide 24 hours of power supply to the rural areas. GESCOM may consider segregation of exclusive agricultural feeders in the future also, wherever necessary.

Since all the work of segregation of feeders has been completed by GESCOM, the Commission decides not to pursue this directive and drop the directive.

11. Directive on Demand Side Management in Agriculture:

In view of the urgent need for conserving energy for the benefit of the consumers in the State, the Commission had directed the GESCOM to take up replacement of inefficient Irrigation Pumps with energy efficient Pumps approved by the Bureau of Energy Efficiency, at least in one Sub Division, in its jurisdiction and report compliance thereon.

Compliance by the GESCOM:

DSM in agriculture is one of the directives of the Commission in GESCOM Tariff Order 2019 and reiterated its directions in GESCOM Tariff Order 202,with a view to conserving energy and to reduce subsidy burden on Government and cross-subsidizing consumer.

GESCOM has identified 11 KV Chandapur feeder in Sedam Sub-Division to take up Ag.DSM initiative on pilot basis which has 680 IP sets in this feeder for the replacement of old, inefficient pump sets with BEE Star rated Energy Efficient Pump Sets (EEPS) under Agricultural Demand Side Management (Ag.DSM). DPR preparation is under process and will be submitted to the Hon'ble Commision at an earliest for Approval.

On implementation of Ag.DSM project in the selected feeders, GESCOM will get the benefits of power and demand reduction, also the voltage imbalance / under voltage, transformer over loading will be minimized and power factor will be improved in selected feeder by installing capacitors to all new EEPS.

Under PM KUSUM Component B (Off-Grid IP consumer), KREDL is implementing agency and has invited applications from farmers from 28.08.2020 onwards through web online portal.

Commission's Views:

The Commission notes that there is an undue delay in implementation of DSM scheme. The Commission also notes that the GESCOM has so far not taken any concrete action to implement the Agricultural DSM measures in its jurisdiction. The GESCOM needs to expedite implementation of DSM measures in its jurisdiction without any further delay.

There is a huge potential for energy saving in the agricultural sector which needs to be tapped at the earliest to derive the benefits on completion of the project. The GESCOM should lay strong emphasis for implementation of DSM measures with a view to conserve energy and also precious water for the greater advantage to the farmers.

Therefore, the GESCOM should take up DSM initiatives in order to conserve energy and submit the suitable proposals for approval of the Commission, before taking up the work.

GESCOM has to explore and take up the DSM measures in its area of operation as a measure to conserve energy. Therefore, the GESCOM should take up DSM initiatives in order to conserve energy and submit suitable proposals for approval of the Commission, before taking up the work. With this directions, the

Commission decides not to further pursue this matter and decides to drop this directive.

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

The Commission had directed the ESCOMs to prepare a detailed and time bound action plan to provide electricity to all the un-electrified villages, hamlets and habitations in every taluk and to every household therein. The action plan was required to spell out the details of additional requirement of power, infrastructure and manpower along with the shortest possible time frame (not exceeding three years) for achieving the target in every taluk and district. The Commission had directed that the data of un-electrified households could be obtained from the concerned Gram Panchayats and the action plan be prepared based on the data of un-electrified households.

Compliance by the GESCOM:

GESCOM has noted the Commission's views in the Tariff order 2019, Tariff Order 2020 and Tariff Order 2021. GESCOM will undertake a survey to find out un-electrified households, if any and take action to electrify such households with the permission of the respective implementing agency / the GoK.

GESCOM has completed electrification of all the un-electrified households identified under various schemes viz., DDUGJY, SAUBHGYA SCHEME and GSA - GRAM SWARAJ ABHIYAN.

Commission's Views:

The Commission notes and appreciates the work of completion of electrification of un-electrified households under various schemes. The GESCOM needs to furnish the details of the release of grants and other financial benefits for completion of the scheme within the time extension given by the implementing agency as claimed by GESCOM.

The GESCOM shall undertake survey of any un-electrified households, if any, in its area in addition to the already identified and submitted in the tariff filing, and electrify such households with the permission of the respective implementing agency / the GoK. The GESCOM is therefore, directed to expedite the task of identifying and providing electricity to all the un-electrified households and report compliance to the Commission.

Since GESCOM has achieved 100% electrification of un-electrified households in all the districts of GESCOM under various schemes, the Commission decides not to further pursue the matter and decides to drop this directive.

13. Directive on Implementation of Financial Management Frameworks:

The present organizational set up of the ESCOMs at the field level appears to be mainly oriented towards maintenance of power supply without a corresponding emphasis on realization of revenue. This has resulted in a serious mismatch between the power supplied, expenditure incurred and the revenue realized in many cases.. The continued inability of the ESCOMs to effectively account the input energy and its sale in different Sub-Divisions of the ESCOM in line with the revenue realization rate fixed by the Commission, urgently calls for a change of approach by the ESCOMs, so that the field level functionaries are made accountable for ensuring realization of revenues vis-à-vis the input energy supplied to the jurisdiction of Sub-Division / Division.

The Commission had therefore directed the GESCOM to introduce a system of Cost Revenue Centre Oriented Sub-Divisions at least in two Divisions, on a pilot basis, in its operational area and report the results of the experiment to the Commission.

Compliance by the GESCOM:

The Commission has directed GESCOM to fix the target to each of the divisions in order to achieve the overall target fixed by KERC for the Financial Year 2022 w.r.t to Distribution loss & to collect the required ARR for FY 2022.

As per the directions issued by the KERC during Public hearing on the Tariff Petition of GESCOM held at Kalaburagi for the FY20, the action has been taken for recovery of available balance in the ESCROW / Electrical Bank accounts of the Urban local bodies & Rural local bodies. An amount of Rs.45.29 crores & Rs.104.33 crores were collected from Rural Bodies and Urban Local Bodies respectively From April to September 2021, an amount to be recovered in respect of ULB Rs.126.48 Crs & RLB Rs.1002.29 Crs at the end of September 2021.

As of 31.03.2021 the outstanding amount from the long disconnected installations is Rs.95.44 Crores. The total demand for FY21 is Rs.5039.72 and collection stood at Rs.4716.37 over all collection efficiency is at 93.58% and the demand for FY22 up to September 2021 is Rs.2758.95 out of which the Rs.2610.25 is collected over all collection efficiency stood at 94.61%.

As per the direction by the Commission in the 1st Quarter review meeting of FY22, the distribution loss is fixed at 10.75% to be achieved by divisions for FY22 & target is fixed to collect cumulative revenue arrears of 10% and 5% of long disconnected arrears of the existing monthly demand.

The GESCOM has achieved the overall distribution losses for FY21 is 11.72% against the distribution losses of 11.00% approved by the Commission. The Average realization rate per unit is fixed for FY22 as per Tariff Order FY21 is Rs.7.74 per unit and including tax at the Rate of 9% per month which amounts to Rs.8.43 per unit.

Commission's Views:

The Commission has taken note of the action taken by GESCOM to implement the Financial action plan in improving the revenue vis-à-vis the energy input by fixing responisibility on the Divisions and Sub-Divisions. The Commission notes with displeasure that the GESCOM has not implemented the financial framework model with the letter and spirit. GESCOM has not submitted any analysis Divisionwise or Sub-Division-wise to bring accountability on their performance in terms of the quantum of energy received, sold and its cost so as to conduct its business on commercial principles. In simple words, GESCOM has not furnished the details / information on the performance of the Sub-division, Divisions as against the target fixed for achieving distribution loss, revenue demand and collection, arrears, revenue realization etc., GESCOM has only furnished the calculation of distribution losses in few of the Sub-divisions and Divisions.

Though, GESCOM ha claimed that it is submitting the data on financial frame work, the GESCOM has not submitted the compliance in respect of implementation of Financial Management Framework, on quarterly basis, to the Commission, as desired and directed by the Commission.

The Commission notes that GESCOM has submitted the analysis in its replies to preliminary observations, set the targets of constant distribution losses to all the divisions without analysing the various parameters indicated in the Commissions views section of the previous Tariff Order.

Without setting proper targets and making the analysis of the outcome, GESCOM cannot expect any success in its strategy to conduct its business on commercial principles. Also, the commercial principles for operation of the Company, envisaged in the directives are not extended to the level of the Sub-Divisions.

However, the GESCOM has not implemented the model of financial framework as desired by the Commission and confirms that the GESCOM is not serious about implementing the model on Financial Management Framework in its jurisdiction, for bringing in accountability of its operations but continued to report that it will implement the directive shortly but has done nothing in reality.

The consumers and the stakeholders have raised serious concerns about the accumulation of revenue arrears and failure to recover the long - standing arrears which is causing adverse financial impact on the GESCOM's cash flows. The Commission directs GESCOM to chalk out a stringent action plan to recover the long-standing accumulated arrears.

The Commission directs the GESCOM to review the performance of the Divisions & Sub-Divisions in terms of the energy received, sold, average revenue realization and average cost of supply using the Financial Management Framework Model developed by it. **Further, the GESCOM is directed to continue to analyze the following parameters each month to monitor the performance of the Divisions / Sub-Divisions, at corporate level:**

a) Target losses fixed and the achievement at each stage.
b) Target revenue to be billed and achievement against each tariff category of consumers.
c) Target revenue to be collected and achievement under all tariff categories.
d) Target revenue arrears to be collected.
e) Targeted distribution loss reduction when compared to previous years' losses.
f) Comparison of high-performance Divisions in sales with low performance Divisions.
g) Targeted achievement in performing the energy audit, feeder wise, DTC wise, and the performance in achieving the reduction in energy losses of feeders, DTCs by setting right the lacuna's / issues viz., tagging of consumers properly etc.,

Based on the analysis, the GESCOM needs to take corrective measures to ensure 100 per cent meter reading, billing, and collection, through identification of sub-normal consumption, replacement of non-recording meters etc.,

The Commission reiterates its directive that the GESCOM shall implement the Financial Management Framework model in its jurisdiction, effectively, to bring in accountability in the performance of the Divisions / Sub-Divisions 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. GESCOM shall identify the Sub-Divisions and Divisions which are showing high distribution losses and other parameters listed above and not collecting the required rate of ARR and take

remedial measures to ensure full recovery of revenue vis-à-vis the energy drawn by such Sub-Division and Divisions.

14. Directive on Prevention of Electrical Accidents:

On a review of the electrical accidents that have taken place in the State during the past years, it is seen that the major causes of the accidents are due to snapping of LT / HT lines, accidental contact with live LT / HT / EHT lines / equipment in the streets, live wires hanging around the electric poles / transformers, violation / neglect of safety measures, lack of supervision, inadequate / lack of maintenance, etc., posing great danger to human lives.

Considering the above facts, the Commission had directed GESCOM to prepare an action plan to effect improvements, in its distribution network and implement safety measures to prevent electrical accidents. A detailed Division-wise action plan was required to be submitted by the GESCOM to the Commission.

Compliance by the GESCOM:

GESCOM has furnished the details of electrical accidents that occurred during FY22 till September 2021, giving details of major causes and the remedial measures taken for prevention of electrical accidents.

GESCOM has furnished the details of allocated budget for FY22 in respect of Special Development Programme, Capex to all the Divisions for rectification of identified hazardous locations and furnished the progress achieved under the two heads.

Action plan for rectification of hazardous locations for FY:2021-22 including pendency for rectification as on 30.09.2021 and anticipated identification up to 31.03.2022):

1) Monthly target has been fixed for each division for rectification of hazardous locations for FY:2021-22 including Pendency as on 30.09.2021 and anticipated identification up to 31.03.2022.
2) Acvievement of each disivision agaisnt the set target will be reviewed on monthly basis during review meeting.
3) Timely availabilty of required material for the purpose will be ensured by Corporate Office.
4) Provisison of sufficient budget for safety measures has already been made under the Capex for FY:2021-22.
5) Non-compliance on part of any official/workmen will be dealt with seriously.

GESCOM is coducting regular inspection of the Elements of Distribution System for identifying and rectification of discrepancies for existing / ongoing / completed works and the targets are fixed to Divisions/Sub-divisions/ Sections for inspections of System also the more stress is given to identify the hazardous locations and set right of such locations, and the progress is been monitored and reviewed during meetings conducted at Circle / Zonal / Corporate Office level on Monthly basis.

Inspection of all materials required for ongoing works are being carried out by the TA&QC wing of GESCOM at factory site before dispatch. And inspection of materials used in completed works are carried out by TA&QC as well concerned Works Unit Officer at the time of joint inventory.

The following programs have been conducted to bring awareness among the public:

Notifications in the Newspapers are being given and Deepawali Special Magazine on electrical safety and Energy conservation was brought out . However, GESCOM has conducted work shop on safety aspects to the linemen in each and every O&M division in GESCOM jurisdiction.

GESCOM has taken remedial measures to reduce the accidents and other system improvement works, lot of efforts are made to strengthen distribution System.

GESCOM, vide its replies to the preliminary observations has submitted the Action Plan for rectification of hazardous locations for FY:2021-22, including pendency for rectification as on 30.09.2021 and anticipated identification up to 31.03.2022.

Also, GESCOM submitted the Analysis made on the reports submitted by the Electrical Inspectorate for FY22 up to September 2021. In FY22 up to September 2021, 23 inspection reports are submitted by the Electrical Inspectorate.

Commission's Views:

The Commission notes the various remedial measures including rectification of hazardous installations in its distribution network taken by the GESCOM. However, despite these measures, the rate of fatal electrical accidents involving human, animal and livestock is on an increase, which is a matter of serious concern to the Commission.

The frequent occurrence of electrical accidents indicates that there is an urgent need for identification and rectification of hazardous installations, more systematically and regularly. Therefore, the GESCOM should continue to focus on identification and rectification of all the hazardous installations including streetlight installations / other electrical works, under the control of local bodies to prevent electrical accidents. The Commission has taken note of the efforts made in organising the awareness programmes etc., However, GESCOM should continue to increase the number of awareness campaigns and take up such campaigns through visual / print media on safety aspects relating to electricity among public.

The Commission is of the view that, GESCOM should carry out more effective periodical maintenance works, continue to provide and install LT protection to distribution transformers, and also ensure use of safety tools & tackles by the field-staff, besides imparting necessary training to the field-staff at regular intervals.

The Commission is also of the view that the existence of hazardous installations in the distribution network is evidently, because of the sub-standard works carried out without adhering to the best & standard practices in construction / expansion of the distribution network. The GESCOM needs to continue to conduct regular safety audit of its distribution system and to carryout preventive maintenance works as per schedule of the Safety Technical Manual issued by the Commission to keep the network equipment in healthy condition. GESCOM should also take up regular inspection of consumer installations especially Irrigation pump houses, cow sheds and buildings under construction to identify hazardous installations, educate the consumers of the likely hazard and persuade them to take up rectification.

The Commission further notes that the hazardous locations pending rectification in the area of GESCOM is as huge as 678 numbers. GESCOM shall chalk out a strategic action plan to rectify all the pending hazardous locations and submit an action plan to the Commission within 3 months of the date of this Order along with nullifying the hazardous locations in its area.

The Commission, reiterates its directive that the GESCOM shall continue to take adequate measures to identify and rectify all the hazardous locations / installations existing in its distribution system under an action plan to prevent and reduce the number of electrical accidents occurring in its distribution system. Further, it shall also focus on rectifying hazardous consumer installations. Any lapse on the part the concerned officers / officials should entail them to face disciplinary action for dereliction of their duties.

The Commission directs GESCOM to concentrate on the reasons identified for the electrical accidents by the Electrical Inspectorate and take remedial measures to see that, the accidents are not repeated for the same reasons. Similar action has to be taken on the cases with violations of various clauses of CEA (Measures relating to Safety & Electric Supply) Regulation, 2010 and the field staff shall be trained and well informed of the consequences of electrical accidents occurring because of such violations and action against such erring officers shall be initiated if necessary, in order to reduce the number of electrical accidents.

GESCOM shall submit an action plan for reducing the accidents in GESCOM area, within 3 months of the date of this Order. The compliance thereon shall be submitted to the Commission every quarter, regularly.

APPENDIX-1

Gist of the objections of the stakeholders/public, GESCOM's response and the Commission's Views:

Objections on Tariff Issues	
Objections	**Replies by GESCOM**
1. As per Regulation 2.7.1 of M Y T Regulations 2006, an application for determination of Tariff for any financial year shall be made not less than 120 days before the commencement of such financial year. This should have been filed on or before 30th Nov 2021 which has not been done. (Done on 04-01-2022) On this count this Application is not maintainable..	GESCOM has filed Determination of Tariff Application for FY23 in time i.e., on 30.11.2021.
Commission's Views: The reply furnished by GESCOM is acceptable. The objectors should verify the facts properly before raising the objections. The year of filing is also not shown correctly.	
2. GESCOM should have clearly indicated steps taken for improvement of efficiency since the date of previous order and earlier orders issued by the Commission indicating the efficiency gains of GESCOM, which could be ultimately transferred to the consumers proportionately. The Commission in its Tariff order 2022 has clearly commented that GESCOM should provide a brief note on steps taken to improve the Efficiency in the Tariff revision application. It is not done	GESCOM has submitted the details of loss reduction year on year and improvement in other performance parameters such as metering, continuous supply of power, customer complaint handling etc., in the petition filed before the Commission. The tariff petition and the APR filed on 30-11-2021 are in the formats by the Commission and replies of GESCOM to the preliminary observations on the tariff petition are also form part and are to be read with original petition.

by GESCOM. In the absence of any specific gains the application is not maintainable.	Supply position and quality of supply have improved and interruptions are reduced as compared to previous year. Further the hours of power supply to the non-agricultural loads in rural areas is now on par with urban areas by implementation of DDUGJY/NJY schemes and the IP set consumers are also provided with quality power supply. Hence taking into consideration of the above, the proposal for revision of Tariff has been filed as per Tariff Regulations 2006 and Tariff Order No. D/01/6 dated 31.05.2006. GESCOM has taken various steps for improving the efficiency by carrying out various improvement works, as a result of efforts put forth by GESCOM losses have come down, from 26% in year FY-08 to 11.72% at the end of FY21. The Distribution losses are reduced to 10.75% at the end of December-2021. Further, GESCOM is Planning to reduce the distribution loss by the end of FY22. GESCOM has undertaken several measures to improve the infrastructures and consumer satisfaction. As a result of various schemes implemented, such as construction of new substations, 11KV link lines, additional distribution transformers, reconductoring etc. GESCOM has also implemented the Central Govt. sponsored IPDS (Integrated Power Development Scheme) in

	towns/cities and DDUGJY in the rural areas. and electrification of all BPL/APL households in Soubhagya Yojane & other Schemes. In spite of shortage of manpower, GESCOM is striving hard to improve its efficiency. GESCOM has transferred the efficiency gains to the consumers duly following the directives set by KERC. The GESCOM has submitted details in the petition filed before the Commission.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM.	
3. GESCOM has stated that the gap for FY23 is Rs.1816.94 Crores and hence has requested the Commission to hike the tariff by 236 paise per unit for all category of consumers. This has three components: First one is the revenue gap of Rs. 1169.90 crores carried forward from FY21, due to truing up and Second is gap in revenue for FY23 Rs. 406.74 crores. Third one is the Regulatory Assets and carrying cost of Rs.240.30 crores. The first one should be rejected. GESCOM has paid Rs. 1169.90 crores towards fixed charges without purchasing any power from thermal stations. This should be paid by the Govt. It should not be loaded on to	GESCOM in its tariff petition has submitted the loss of FY21 of Rs. 665.84 Crores at operational level including deferred tax liability and Rs. 504.06 Crores which is the regulatory assets to be recovered in subsequent tariffs. Hence the losses of Rs. 1169.90 Crores. Rs. 665.84 Crores includes the interest and finance charges, depreciation, interest on power purchased cost, cost of power and O&M expenditures. The statement of above expenditure which is incurred as per financial statement, is filed before the Commission. Hence the amount which includes not only power purchased cost but other costs also. The gap/loss of FY21 is Rs. 1169.90 Crores, the deficit of FY23 is Rs. 406.74, the carrying cost at12% on the deficit of Rs. 1169.90

<table>
<tr><td>the consumers. This should be disallowed.

The Second one: The gap for FY 23 is Rs 406.74 crores

Thus the revenue gap will be only Rs.647.04 crores and not Rs1816.94 crores. It means the hike per unit can be 83 paise. Further this itself is questioned in our objections. GESCOM has claimed 236 paise which is wrong.</td><td>which amounts to Rs. 140.39 Crores and regulatory assets as per tariff order 2020 along with interest at 12% shall be recovered which amounts to Rs. 99.92 Crores, hence the total gap of Rs. 1816.94 Crores for FY23 for which 236 paisa hike is required to meet the entire gap for FY23.

The legitimate expenses incurred during financial year FY21 shall be allowed in true up for FY21.</td></tr>
<tr><td colspan="2">Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.</td></tr>
<tr><td>4. The HT consumption has come down during FY21. Hence, the additional purchase goes to IP sets and HT consumers are made to pay this additional purchase which actually goes to IP sets. This results in greater increase in HT tariff. Hence, HT consumers are leaving Grid and opting for private purchase. In order to prevent HT consumers leaving the Grid, tariff of HT consumers should be reduced by at least 100 paise per unit.</td><td>As indicated above, the HT sale has come down because of lockdown imposed by the govt., to curb the spread of COVID-19 virus, which has resulted in significant reduction in HT consumption (13.47%).

The IP set sales for FY21 stood at 3041.47 MU compared to previous year. The drop in the sales of IP set is marginally lower. Hence none of the additional costs have been passed on to the HT consumers.

However, to consume more power from GESCOM grid the energy charges for HT consumer is proposed at Rs. 1 per unit lower than the existing tariff.</td></tr>
<tr><td colspan="2">Commission's Views: The Commission has taken note of the reply furnished by the GESCOM.</td></tr>
<tr><td>5. As per the tariff policy any tariff to be fixed should be within +/-20 % of cost to serve. GESCOM has not submitted "<u>cost to</u></td><td>Cost to Serve model is not yet finalized. The present tariffs are based on the Economic conditions and paying capacity of the</td></tr>
</table>

serve" to the Commission. As cost to serve has not been finalized by the Commission, it is not possible to verify whether the proposed tariff is within the limits. Cost to serve is very important parameter. The cost to serve a HT installation is very much less compared to LT power. If cost to serve is found out and tariff is fixed as per cost to serve, the tariff of HT 2 (a) will have to be brought down by 50%, which KASSIA is trying to justify. GESCOM is giving non-convincing replies. At least in case of HT 2 (a) category cost to serve should be worked out. Hence this Tariff Application should be rejected.	consumers. The Demand charges are claimed as per the Tariff Order approved by the Commission and as per the Conditions of Supply. The increase in Demand Charges i.e., fixed cost is to cover the fixed charges claimed by the power generators and to meet other fixed costs such as O & M Expenses, loan repayment, Interest & Finance Costs & Depreciation. The present total fixed cost is much lower and still does not fully cover fixed costs. Hence, a marginal increase is sought. The Tariff approved by the Commission has ensured that the Cross subsidy is +/- 20 of the Average Cost of Supply.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order. The levels of cross subsidy surcharge with reference to cost to serve for different categories of consumers, have been indicated in the Annexure to the tariff order.	
6. As per section 23 of the Act, load shedding should be done with the approval of KERC. Un-scheduled load shedding have adversely affected the Industries. KERC should take appropriate action in this regard. For planned maintenance it should be given to the newspapers a least 24 hours before, which is not done. In such cases GESCOM should resort to spot purchase of power through Energy Exchanges, which is not done.	At present, no load shedding is being done in GESCOM. Un-scheduled load shedding is resorted to only in case of sudden generation loss, emergent repair works and unforeseen situations. For planned maintenance, it is given in the newspapers at least 24 hours before the scheduled work.

GESCOM is resorting to load shedding without the approval of KERC and without making alternate arrangements. This is a clear violation.	
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and directs GESCOM to make arrangements to inform the consumers on scheduled outages for maintenance etc. GESCOM shall maintain and update the consumer database for sending messages indicating the power outages, restoration of power etc.	
7. Average cost of supply is Rs.8.58 per Unit. But IP sets are charged only at Rs.3.90 per unit. It is 54 % less. Thus IP tariff is not 20% less. Commission may fix IP tariff not more than 20% less. Otherwise GoK should pay the difference as subsidy. But it is recovered from other consumers through cross subsidization. That means a large part of the cost of unmetered free power is being borne by the other consumers through cross subsidies though the Govt claims the burden is entirely on its account. This is a clear case of regularization of dues of the Govt. The difference should be recovered from Govt.	The above figures do not pertain to GESCOM either for FY20 (APR) or FY 22 tariff petition. Hence, not responded.
Commission's Views: The Commission advises the stakeholder to properly verify the facts before raising the objections, in order to enable the ESCOM to respond to the objection.	
8. Collection efficiency is 94%. GESCOM has failed to collect arrears from local bodies.	1. Zonal/Circle/Divisional /Sub-divisional Officers have been instructed in the Monthly progress review meetings to pursue the recovery from Rural Local Bodies/Urban Local Bodies and other Government Departments. 2. Gram Panchayat-wise recovery is being

	pursued. Instructions have been issued to disconnect the installations. 3. Current dues have been cleared by the UDDs & concerned authorities have been requested to clear old dues. 4. Letters have been issued to the Government Departments to clear their dues. 5. Urban Local Bodies & Government authorities are being contacted personally by GESCOM field Officers/Officials at regular intervals and followed up for recovery of dues.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and directs it to pursue the recovery of dues speedily.	
9. Since, the applicant has totally failed to improve the efficiency of its operations by implementing the directives issued by the Hon'ble Commission to that effect; the hike in tariffs sought by the petitioner through the impugned, petition is not justifiable and also not maintainable. In fact, the earlier increase in tariffs should be reversed. The power supply situation and quality of power supply in rural areas have deteriorated further during the current year. The objector submits that compliance of other directives is also very poor and no tangible results have come out, so far. On these aspects also the ERC and Tariff filings, are defective and liable to be dismissed as not maintainable. For the aforesaid reasons the Tariff Revision	The compliance to the Commission's Directives is submitted in chapter-2 (page 10 – page 90) of the Tariff petition providing a detailed explanation on the actions initiated by GESCOM during the year. The conditions of the power supply situation and quality of power in both urban and rural areas has significantly improved. The filing of the Company are not defective in the matter.

<table>
<tr><td>Petition is not maintainable.</td><td></td></tr>
<tr><td colspan="2">Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.</td></tr>
<tr><td>10.HT consumption for FY21 is 911.29 MU though it was approved at 1227.88 MU. Thus, HT consumption has come down by 316.59 MU less by 26 %. Generally annual growth is taken as 6%. But, the HT consumption has come down. It clearly shows many HT industries have left Karnataka due to higher HT tariff. HT Consumers have purchased from open access which is cheaper than GESCOM tariff. The Commission should consider reducing HT tariff so that HT consumers don't move away from Karnataka.</td><td>The present fixed/demand charges are not sufficient, hence in order to recover the fixed charges of the distribution cost such as (Fixed capacity, O&M charges), the GESCOM has sought the increase in fixed charges and reduction of energy charges by Rs. 1 per unit in order to encourage the industrial consumers to consume more power and not leave GESCOM grid.</td></tr>
<tr><td colspan="2">Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.</td></tr>
<tr><td>11.Approved distribution losses were 11.25%. But, the actual loss is 11.72 %. AT &C loss is much more than that. HVDS is not done. HT:LT ratio is not reduced. There are no honest efforts for reducing the losses.</td><td><table>
<tr><th>SL No.</th><th>Range</th><th>Approved for FY-21 as per Tariff order 2020</th><th>Approved for FY21 as per Tariff order 2021</th></tr>
<tr><td>1</td><td>Upper limit</td><td>14.45%</td><td>11.25%</td></tr>
<tr><td>2</td><td>Average</td><td>14.00%</td><td>11.00%</td></tr>
<tr><td>3</td><td>Lower Limit</td><td>13.75%</td><td>10.75%</td></tr>
</table>
The Commission had approved distribution losses for FY21 as shown in the table below:

In the Tariff Order 2021, the Hon'ble Commission has approved revised Upper limit of a distribution loss level of 11.25 % for</td></tr>
</table>

	FY-21, against which the GESCOM has achieved distribution loss of 11.72%. Owing to the lockdown imposed by Government to prevent the spread of COVID-19 Virus, which has resulted in significant reduction in HT consumption (23.30%). The overall losses of GESCOM are marginally higher than average loss level. In Tariff Order -2020, the Approved Average Distribution loss is fixed at 14.00 %, GESCOM has achieved 11.72% and this value is well within the approved limit. The Commission has revised the Average Distribution Loss to 11.00% in the Tariff Order -2021 on 09.06.2021. i.e., after closure of Financial Year (FY-21). The conditions indicated above were beyond the control of GESCOM and not attributable to the efficiency of the Company.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order	
12. **Capital Expenditure** KERC approved capital expenditure of Rs. 867.35 crores for FY21. But GESCOM has utilized only 407.68 crores for FY 21. In metering programme and in HVDS utilized less. In providing infrastructure to un authorized IP sets less utilized. Thus, GESCOM has failed to utilize the budgeted Capital Expenditure on certain heads. It shows its inefficiency in utilizing the budget	For FY21, the capital budget utilization for Metering and providing infrastructure to un authorized IP sets was less due to COVID-19 pandemic and for HVDS, the Hon'ble Commission has directed not to process and hence HVDS has not been taken up and dropped.

<table>
<tr><td>and achieve targets.</td><td></td></tr>
<tr><td colspan="2">Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. As per the Commission's directive, HVDS works shall not be taken by the ESCOMs until further orders.</td></tr>
<tr><td>13. For replacement of failed transformers, approved by the Commission was Rs 3.31 crores. But GESCOM has spent Rs.13.43 crores. It means more DTCs have failed due to poor maintenance.</td><td>The Approved Budget for replacement of failed transformers was Rs. 13.43 Crores and GESCOM has spent only Rs. 3.31 Crores. Hence, to state that more DTCs have failed due to poor maintenance is in-appropriate.</td></tr>
<tr><td colspan="2">Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. The Objector should have verified the facts properly before raising the objections.</td></tr>
<tr><td>14. Specific consumption of IP sets was 7947 units. And total IP set consumption is 3165.94 MU. This is more than last year's sales. Thus, subsidy to be claimed from the Govt. will increase. But, GESCOM has not claimed higher subsidy.</td><td>Total consumption of IP sets up to 10 HP for FY21 is 3041.47 MU & specific consumption is 7463 units for FY21 & 7642 units for FY20. Subsidy claimed for FY21 is Rs.2047.70 crore towards subsidized categories i.e., BJ/KJ up to 40 units & IP sets less than 10HP which is on the basis of actual consumption.</td></tr>
<tr><td colspan="2">Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.</td></tr>
<tr><td>15. Collection Efficiency: Demand was Rs.2758.95 crores. Collection was Rs. 2610.25 crores. The collection is less than demand. Further there are arrears from Local Govts. But no effort is made to collect those arrears.</td><td>Statement showing the Demand, Collection & Collection Efficiency of Soft Category Consumers & other category Consumers
<table>
<tr><th>Tariff</th><th>Demand (In Rs Crores)</th><th>Collection (In Rs Crores)</th><th>Collection Efficiency</th></tr>
<tr><td>Other than Government Installations</td><td>2009.85</td><td>1983.61</td><td>99%</td></tr>
<tr><td>Government Installations</td><td>2172.55</td><td>1977.34</td><td>91%</td></tr>
</table></td></tr>
</table>

	1. Zonal/Circle/Divisional /Sub-divisional Officers have been instructed in the Monthly progress review meetings, to pursue the recovery from Rural Local Bodies/Urban Local Bodies and other Government Departments. 2. Gram Panchayat-wise Recovery is being pursued. Instructions have been issued to disconnect the installations for non payment. 3. Current dues have been cleared by the UDD's & concerned authorities have been requested to clear old dues. 4. Letters have been issued to the Government Departments to clear their dues. 5. Urban Local Bodies & Government authorities are being contacted personally by GESCOM field Officers/Officials at regular intervals and followed up for recovery of dues.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and directs it to initiate for speedy recovery of dues.	
16. ToD: GESCOM states that the availability of energy from different sources is more than the quantum required by GESCOM during FY21. In that case GESCOM should give ToD power to HT consumers at Rs.2/- less than the tariff between 10 PM & 6.00 AM. This is to encourage industries to get into night shift. Accordingly, consumption will increase. Extend TOD to LT Consumers also so that	HT industries are given special incentive schemes to those who opt for ToD tariff. Special incentive scheme will be charged Rs. 1 & Rs. 2 less than the normal Tariff for usage of energy over and above the base consumption for time period between 10 Hrs to 18 Hrs and between 22 Hrs to 06 Hrs respectively.

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MSMEs are benefitted.	
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM.	
17. GESCOM has stated that Timer Switches are provided for 2070 street light installations. Yet to be provided to 12689 installations. GESCOM is not doing a good job. Timer switches help to bring down the peak load. The purpose of bringing down the peak load has not been pursued with all seriousness. Though more than five years have lapsed GESCOM is yet to arrange time Switches to street light installations. Then how peak load can be brought down? Thus, GESCOM has failed to implement Demand Side Management. In the interest of controlling peak load, timer switches should be provided by GESCOM and cost may be recovered from local bodies.	GESCOM is perusing with concerned local bodies. GESCOM has sent letters to the Chief Executive officers, the Commissioners of city corporations/ city municipalities for fixing the timer switches for the street light installations and same is pursued by the Executive Engineers in the respective Divisions and also all the Executive Engineers of O&M are instructed vide letter No:GESCOM/DT/CEE(O)/EE(DSM)/AEE(DSM) / 2021-22/27670-96 D/-30.10.2021 to follow up with the local municipal authorities to take action for avoiding the burning of street lights during day time. As per the directions of the Commission, GESCOM is implementing by ensuring/adhering while servicing new or the extended circuit of street light installations by providing the timer switches only.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and directs it to continue to service the new street lights only with timer switches.	
18. Independent feeders are required for Industries. There are interruptions and load shedding. Industries are suffering a lot. KASSIA insists that independent feeders should be provided for feeding to the industries.	As on Jan-22, out of 2164 feeders existing in GESCOM, there are 56 feeders feeding to 20 predominantly industrial areas like KIADB and KSSIDC. As of now there is no power supply issues/constrains in these areas. However, in case of any issue related to load shedding or low voltage GESCOM will take remedial measures immediately.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM.	
19. Solar heating greatly helps in bringing	Prior to servicing the consumer should

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down the morning peak load. Hence present solar rebate should be continued. GESCOM has not given the details of how many installations are yet to be serviced with solar water heaters.	produce the installation certificate for having installed the solar water heater, which is mandatory in line with the Regulations laid down by the Commission. Providing the information i.e., how many installations are yet to be serviced with solar water heaters is not a prerequisite for filing the petition.
Commission's Views: The Commission notes the reply furnished by the GESCOM	
20. **Niranthara Jyoti:** GESCOM had stated that the work of Niranthara Jyothi is completed. GESCOM has not quantified as to what is the improvement in power supply to rural areas? How much losses have come down? Further Niranthara Jyoti exercise is being done as per the Govt. directions for better supply to the rural consumers. It is a welfare activity by the Govt. Hence the entire cost of Niranthara Jyoti should be borne by the Govt. It should not be loaded on to the consumers.	The progress under NJY and DDUGJY is 100%. The following are the improvements after implementation of feeder segregation under NJY and DDUGJY schemes. 1) Before bifurcation of agricultural and non-agriculture load the power supply was given to rural areas for 16 to 17Hrs per day. Now, after successful implementation of NJY and DDUGJY quality power supply is given for 22 to 24 Hrs per day for NJY feeders and 7Hrs continuous supply for EIP feeders. Since power supply to IP set consumers is restricted to 7Hrs per day, the consumers of other category are relieved from paying for the excess drawl by IP set consumers. 2) The failure rate of DTCs coming under NJY and EIP feeder has significantly reduced. 3) Un-scheduled interruptions have been reduced significantly.

	4) The tail end voltage improved. 5) In respect of NJY and EIP feeders the losses have come down. 6) DDUGJY scheme is sponsored by GoI with support of 75% grants and 25% financed as long term loan availed from REC. Major portion of the scheme is borne by GoI.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM.	
21. **HVDS:** Implementation of HVDS will bring down the losses by about 8-10%. Since Sept 2012, the Commission has been repeatedly instructing GESCOM to implement HVDS. GESCOM states that the work is completed only in 68 feeders. This is the status in only 4 subdivisions. There are 115 sub-divisions in GESCOM. It is not informed by GESCOM when they will complete in remaining 111 subdivisions. It is stated that the work of evaluation is entrusted to third Party and reports are received. Then why the brief report is not supplied to the consumers. Any expenditure made towards the HV DS is loaded on to the consumers. Then why the contents of the report are not supplied to the consumers. We want to know how much expenditure is made and what percentage of losses are reduced.	The Commission has directed not to take up HVDS works and accordingly no budget provision is made in Capex for HVDS works.
Commission's Views: As per the directions of the Commission, HVDS works shall not be taken up by ESCOMs until further Orders.	

22. **Demand Side Management in Agriculture:** GESCOM has proposed in 2013 for replacement of less efficient pump sets by high efficient pump sets. This will save about 30% of IP consumption and will reduce the demand. But work has not started even in 2021.GESCOM has not stated anything in this regard. GESCOM has not done DSM at all. This is only to provide cheap solar power during day time. This will not reduce any load. During day time there is no peak. Solar power can be stated as standalone power supply to IP sets. It is not DSM. GESCOM has not reported anything on DSM implementation.	It is mostly evident that peak load is normally observed in morning between 7 to 9 AM and in the evening between 5PM to 10PM. In order to shift the peak load and to avoid unnecessary burden during peak load hours, IP Set feeder load has been shifted to day time when the solar power supply is relatively active and available at a cheaper rate. As supplying power for farming in daytimes is most suitable for farming and in a way beneficial to GESCOM, as solar power is cheap, it is a win-win situation both for the consumers and ESCOMs. Also, as demand is shifted to non-peak times, it should be regarded as a DSM measure. Also, we have prepared a project report on implementing Agri DSM in 11 KV Chandapur IP feeder in Sedam subdivision and preparation of DPR is under process.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM.	
23. **Metering of DTCs:** The Commission has directed GESCOM to complete the work of metering of DTCs by 31-12-2010.Today, still 13602 DTCs are to be metered. At this rate, metering may take more than 5 years. DTC metering is very important to calculate DTC wise line loss. The DTC-wise line losses are not worked out even in case of DTCs which are metered and what action has been taken to reduce	In GECOM there exist 118066 DTCs as on 31.12.2021. Out of which there are 74058 DTCs pertaining to IP category and 750 DTCs pertaining to single installations. There are 43258 non- IP DTCs which require metering and energy audit. GESCOM has invited tender at Zonal level for supply and installation of various materials required to make around 9007

the losses. GESCOM is silent on this. The whole exercise appears to be an eye wash.	non-functional DTC meters to functional. So far works has been completed for 3928 DTCs. GESCOM has instructed all the divisions to take up energy audit these DTCs. For DTCs where meters are not communicating, GESCOM has instructed to take manual reading and conduct energy audit. GESCOM has already taken action to ensure 100% tagging of installations to DTC and DTCs to feeders for generation of system energy audit. Further Under RDSS scheme GESCOM has proposed to take up metering of balance un-metered DTCs with AMI feature. GESCOM is conducting energy audit of DTCs every month and submitting to the Commission quarterly. Also Energy Audit of DTCs is regularly being reviewed in MMR meetings. Energy audit of feeders and DTCs is being reviewed regularly at Corporate Office during monthly review meetings wherein reason for the identified high loss areas are discussed and corrective measures are suggested. All the divisions have been instructed to take following remedial measures in high loss areas. 1. 100% tagging of installations to DTCs and DTCs to feeders. 2. Load balancing of DTCs. 3. Ensure 100% billing

	4. Booking of theft cases. 5. Test checking of installations. 6. Replacement of DC/MNR meters. 7. Sealing of energy meters.
Commission's Views: The Commission does not find any merit in the reply. Mere giving directions, discussions in the MMR and other meetings will not help in completing the energy audit. GESCOM should show as to what is the tangible result it has achieved in the last one year through energy audit and what is reduction in the loss levels in high loss making DTCs. GESCOM shall furnish specific answers instead of generalising the issue.	
24. **Energy Audit:** The losses are more than 10% in 208 feeders. This clearly shows the concerned officers have not made any attempts to reduce feeder wise energy loss.	GESCOM has already initiated remedial measures for loss reduction as explained above.
Commission's Views: The GESCOM shall furnish specific replies on the achievement in the loss reduction instead of giving general reply.	
25. **Accidents:** 204 accidents have happened during FY21. (page-85). Rs.27.77 crores is allocated for prevention of accidents. But funds are not utilized. Even action plan has not been implemented. Only emergency works have been carried out. GESCOM has not been able to do periodical maintenance. Live wires on the road open junction boxes and short circuits in transformer wiring are usual hazards. GESCOM has not attended to them. GESCOM has resorted to third party for maintenance of equipment. Hence all the proposed action plans are only on paper. The accidents have increased. What is the explanation of GESCOM?	In GESCOM feeder-wise safety audit has been conducted to identify hazardous locations and action has been taken for their rectification. For FY21 in order to ensure safety to life and property of public GESCOM has allocated Rs 13.674 Crs under SDP for rural areas for rectification of hazardous installations. With regards to RAPDRP towns and cities GESCOM has allocated Rs 20.238 Crs under capex for rectification of hazardous installations. Also GESCOM has given more emphasis on rectification of hazardous locations coming in/around the premises of schools, colleges, hostels. In rural areas 1444 hazardous locations are identified as on 31.12.2020 and rectified 677 locations. An

GESCOM has no value for life. Consumers don't know what GESCOM wants to do. GESCOM should prove that accidents have come down which GESCOM has not done. In its replies to our objections, let GESCOM give the accident figures. As per the I.E Rules, safe vertical clearance for LT lines is 2.5 meters and safe horizontal clearance is 1.2 meters. In case of HT (11 KV) lines safe vertical clearance is 3.7 meters and safe horizontal clearance is 2 meters. We see along the roads these safe distances are not maintained and accidents are happening. Concerned Officers should be held responsible.	expenditure of Rs10.80 Crs has been made out of SDP budget. In respect of towns and cities 1000 hazardous locations are identified as on 31.12.2020, and rectified 758 locations for which an expenditure of Rs 9.45 Crs is incurred. Rectification of balance identified hazardous locations is under progress. • To ensure safety to its staff, GESCOM has imparted training to the field staff. GESCOM has provided sufficient safety tools and gears to the maintenance staff. The staff is strictly instructed to adhere to safety norms before taking up any work. Accidents have reduced as below: a. Department Fatal Accidents are reduced to zero in 2021-22 up to Dec-21. b. Department Non-Fatal Accidents reduced from 29 in 2020-21 up to Dec-20 to 10 in 2021-22 up to Dec-21 i.e. 65% reduction c. Total Human Accidents reduced from 195 in 2020-21 up to Dec-20 to 130 in 2021-22 up to Dec-21 i.e. 34% reduction d. Total Animal Accidents reduced from 250 in 2020-21 up to Dec-20 to 189 in 2021-22 up to Dec-21 i.e., 24.4% reduction.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
26. **HT:LT Ratio.** The Commission has directed GESCOM to achieve HT/LT ratio of 1:1. In	GESCOM has taken up DDUGJY/IPDS and

this tariff petition, the ratio is 1:1.36. GESCOM has not brought down the ratio. This will result in higher distribution losses. Where are the efforts to bring down the ratio? Where is the seriousness? The concerned officers where the ratio is more should be punished. If one KM LT line is converted to HT line the savings will be huge. The losses are in the inverse ratio of voltages.100 Amps on LT will become 21 Amps on HT. The losses on LT will be (100) squared in to resistance. and losses on HT will be only 21 squared in to resistance(which will be far less).Then why GESCOM is not bringing down the ratio and why losses are not reduced? GESCOM should explain this.	various system improvement works, wherein new 11 KV independent feeders were constructed. By commissioning these feeders, the HT:LT ratio has been reduced considerably. Further GESCOM is also taking up construction of new link lines wherever new substations and also new 11KV lines are constructed for bifurcation of overloaded/lengthy feeders under ongoing schemes such as IPDS, DDUGJY etc. that would contribute to further reduction of HT: LT ratio. Also the various system improvement works are proposed under RDSS scheme which will further reduce the HT:LT ratio in the Distribution system.

Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. The GESCOM is directed to take up system improvement works especially extension of HT lines without indiscreetly extending the LT lines to improve the HT:LT ratio and reduce the losses.

27. There were 73176 DTCs feeding to IP sets during last year. GESCOM has not given how many DTCs are feeding to IP sets this year. They are simply repeating (since some years) that metering is done in sample DTCs. Why additional DTCs are not provided with meters. GESCOM has not stated when all DTCs are going to be metered. At present IP sets consumption is calculated based on sample metering. IP sets consumption is being manipulated to show that losses have	In GECOM there exist 118066 DTCs as on 31.12.2021. Out of which there are 74058 DTCs pertain to IP category and 750 DTCs pertain to single installations. There are 43258 non-IP DTCs which require metering and energy audit. Metering of DTCs is proposed to be taken up under RDSS scheme . As on 31.01.2022 there are 1012 EIP feeders and 644 NJY feeders in GESCOM. The specific consumption is calculated

come down.	based on the IP set consumption recorded in the exclusive IP set feeders at the sub-station end and number of IP sets connected to the particular feeder. There is no manipulation of data in this regard.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. The GESCOM is directed to speed up metering of DTCs and take up DTC wise energy audit and on the basis of energy audit results initiate corrective measures to reduce losses.	
28. **Reliability Index:** It is obligatory for GESCOM to give annual abstract of reliability Index of feeders. For how many feeders the index is within permissible limits and for how many it is beyond limits. For how many feeders there is improvement in reliability Index. GESCOM has not given this information. Consumers will not know if there is improvement in quality of supply. GESCOM is hiding this information. It appears there is no improvement in quality of supply. GESCOM has released to the News Papers that the reliability Index of GESCOM is 99.20%. But GESCOM has not supplied the work sheets in the tariff filing. GESCOM is making false claims.	Reliability index is being prepared for 2164 Nos. of 11 KV feeders pertaining to District Head Quarters, Taluk and Rural feeders. Reliability index for 2021-22 (upto December 2021) works out to 94.52%. The reliability of all the 2164 Feeders is above 90%. In order to provide reliable power supply to the consumers, GESCOM is taking action by means of various measures like conducting periodic maintenance work on the distribution system and also in consumer Care Centre, continuously following up on the complaints registered with the filed staff to attend to them within the time limit as per the SoP. The details of month-wise Reliability index for the FY21 (up to December-2021) is available in the GESCOM website https://gescom.karnataka.gov.in/.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
29. GESCOM has not given the number of IP sets after enumeration. To what extent this number differs from DCB figures. Whether the enumerated figures are	As per the Enumeration/Survey of IP Set data, total number of installations found in the field are 4.19 lakhs. Of this around 45071 are reported to be unauthorized and 17178

incorporated in DCB. How it affects the subsidy calculations. Getting it checked by third party can be decided later. But present impact due to the difference has not been worked out.	are defunct/closed/ not in use. The enumeration work is carried out by outside agency hence, third party verification may not be required. There is no impact on the subsidy claims as the subsidy claim is as per the installations as per the books of accounts.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
30. Unauthorised IP sets are a drain on GESCOM. Their HP is not known. Their consumption is not known. GESCOM can manipulate their numbers, consequently their consumption, subsidy amount and percentage of losses. GESCOM has not regularized those unauthorized IP sets which were identified about a year back. GESCOM is not serious. GESCOM wants to misuse the numbers by manipulation.	Though, the objection is factually correct to the extent that unauthorised IP sets are a drain on the resources of the Company, but it is also incorrect while stating that GESCOM can manipulate the numbers, consumption and percentage losses. The IP set consumption has been considered as per the methodology prescribed by the Commission i.e., all the IP set Feeders are metered and the IP set consumption is calculated based on the consumption of these Independent IP Set feeders for assessment and this entire data is matched with the total IP set consumption as submitted to the Commission. There is no possibility for manipulation for the Company.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. This issue has been appropriately dealt with in the Tariff Order.	
31. During FY21, funds allocated for replacement of failed transformers was Rs.55.63 crores. Expenditure booked was only Rs.29.03 crores. The failure rate is high, which is due to improper maintenance. GESCOM has not stated	For FY21 the fund allocated for replacement of failed transformers was Rs.13.43 Crores and expenditure booked was Rs.3.34 Crores

as to how they would reduce the failures and bring down the expenditure.	
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
32. The Commission allowed distribution losses of 11.25 %. And GESCOM losses are 11.72 %. GESCOM is quoting only distribution losses but not ATC losses. GESCOM wants to implement simulation type to find out losses. This will not be realistic. If the field details are not properly entered or deliberately not added the findings of simulation will be wrong and misleading. Simulation should be abandoned. Actual losses should be automated.	In the Tariff Order 2021 dated 09.06.2021, the Commission has revised the average distribution loss level of 11.00 % for FY21, i.e. after closer of financial year FY21 against the approved average distribution loss of 14% in the tariff order 2020 dated 04.11.2020. GESCOM has achieved 11.72% distribution loss for FY21 and this loss level is well within the approved limit and hence impossible for GESCOM to retrospectively improve/ achieve the distribution loss target during FY-21. Hence, GESCOM request the Commission to consider distribution loss level as per tariff order dated 04.11.2020 which was effective for FY21.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. The matter has been appropriately dealt with in this Tariff Order.	
33. It is stipulated that the banked energy should be used in three months. Otherwise it will lapse. This is wrong. The banked energy should be allowed to be used in the next 12 months	As per the present KERC Regulations & orders, GESCOM is allowing banked energy upto 12 months.
Commission's Views: This is not a tariff matter. The Commission has dealt with this matter separately.	
34. **Implementation of SoP**: GESCOM has stated that instructions are issued. GESCOM cannot absolve its responsibility by merely	For implementation of SoP GESCOM has taken the following activities: SoP Boards have been displayed at

stating that instructions are issued. GESCOM has not monitored the implementation. GESCOM has not mentioned in how many cases GESCOM officers failed, how much penalty was imposed etc.	GESCOM's Section, Subdivisions, Divisions, Circles, and Zonal Offices. GESCOM is submitting SoP report monthly to "The Consultant (Consumer Advocacy) KERC. GESCOM conducted 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. Details of monitoring overall Performance Standards relating to Distribution and Supply of Power for the year FY-21& FY-22 upto Sept-21 has been furnished in Tariff Application vide Chapter-2, Table-12. & Table-13.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
35. The Automation projects should be completed within the stipulated time. The Automation project started in Peenya is not completed even after five Years	The Matter pertains to BESCOM, hence not answered.
Commission's Views: The Complainant should raise these issues before BESCOM and should be careful while raising objections against particular ESCOM.	
36. Other Directives: a) Consumers not being informed regarding load shedding. b) Hourly based day ahead projections for each substation is not informed c) Specific Substations and feeders are not identified and informed.	a. Where ever there is a scheduled load shedding the timing is intimated to consumers through SMS by URJA MITRA App. b. SLDC will give day ahead Energy/Load allocation of GESCOM every day. Accordingly, GESCOM is re-allocating to all the 220KV sub-

d) Interruptions in power supply with time and duration are not informed to the consumers. e) Likely time of restoration is not informed to the Consumers. f) Load shedding is done more on industrial consumers. g) There is no co-ordination among the ESCOMS. Each ESCOM wants to draw more power. h) GESCOM is not providing on its website the actual demand and availability. i) GESCOM is not putting on its website the substation- wise and feeder- wise interruptions every month.	stations. All the 220KV sub-stations are being informed hourly load allocation day ahead and also the concerned Chief engineer (Electy) O&M Zones are re-allocating their 220 KV stations load as per the necessity. c. The concerned O&M divisions are informing the GESCOM consumers regarding scheduled load shedding through paper notification and also the same will be intimated with time and duration through SMS by URJA MITRA App. d. No load shedding is being done on industrial feeders. e. The GESCOM is drawing less than the allocated power. f. At present, GESCOM is providing the details of Demand & Availability and the substation- wise and feeder-Wise interruptions on in its Website.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
37. KASSIA submits that the "Directives issued by the Commission in the Tariff Order are of continuing in nature and are to be treated as directives in the subsequent Tariff Orders also. The Commission has put the ESCOMs on notice that the compliance to directives is an essential part to consider future tariff revision proposals". (Power Sector reforms in Karnataka 1999/2004 –Page 48).	GESCOM is complying with the Directives of the Commission and compliances are being furnished to the Commission regularly and reviewed by Commission in the review meetings.

In the light of the above, the KASSIA would like to submit that the important directives in respect of the universal metering, cost of supply, paying capacity, and pre-paid meters which were the significant directives issued by the Regulatory Commission, are yet to be implemented. In the absence of compliance to directives the whole exercise of filing ERC would be futile and the petition is liable to be rejected on this ground itself.	
Commission's Views: The Commission has reviewed the compliance of the Directives in this Order and has issued further directions on each of the Directives.	
38. **NEW PROPOSALS** The definition of fixed cost is the cost necessary to carry the investment and to replace the equipment when it is worn out or destroyed. Fixed cost is based on the original cost of establishing the Generating Stations. The cost of Machines reduces every year based on the depreciated cost of machines. **Supreme Court has held that Fixed charge is fixed. It should not be increased. In the light of that, under any conditions the fixed cost should not be increased.** Instead it should be reduced based on the depreciation. The present fixed charges of Rs.240 per KVA should be reduced to Rs.200 per KVA. due to depreciation. Under any circumstances Fixed charges should not be increased.	

Commission's Views: The Commission has to regulate the fixed charges and variable charges as per the Regulations issued by the Commission in respect of generation, transmission and distribution and retail supply tariff. The complainants are advised to file their objections having regard to the provisions of the Regulations issued by the Commission.

39. EA 2003 mandates that tariff should be within +/-20% of cost to serve. Hence cost to serve should be decided first and then variation of fixed cost and variable cost. Forgetting the mandate of EA 2003, GESCOM is trying to hike fixed cost which is totally against the provisions of the Act and it is unacceptable. GESCOM has cited examples of some states. From the examples we cannot generalize. Only test of fixed charges is "cost to serve ". Without cost to serve we should not consider hiking of fixed cost. GESCOM should drop this proposal.	The reply on the similar point has already been given as above. The increase in Power Purchase Cost is the main factor for seeking the hike in power tariff by GESCOM during FY 23. However, increase in power purchase expenses and transmission charges is not in the purview of GESCOM. The hike in other components i.e., O&M Expenses are at normal inflation rates, Interest & Finance and Depreciation expenses are as per actuals. Hence the tariff hike in the petition as sought by GESCOM may kindly be allowed.

Commission's Views: The Commission is determining the tariff with reference to the average cost of supply as per the provisions of the Tariff Policy. However, the tariff as per cost to serve and the cross subsidy levels are being shown in the Annexure to the Tariff Order.

40. GESCOM cannot cite other States and demand higher demand charges. GESCOM should justify for the increase. MD billing is already as per half hourly indicated MD. Why add 85% billing. If no justification is given, we propose the 75% may be brought down to 70%. When the HT Consumer has not utilized why bill him at 85%. It is only to make more money through MD billing. It does not help technically. Rather to support	The Demand charges are claimed as per the Tariff Order approved by the Commission and as per the Conditions of Supply. The increase in Demand Charges i.e., fixed cost is to cover the fixed charges claimed by the power generators and to meet other fixed costs such as O & M expenses, loan repayment, Interest & Finance Costs & Depreciation. The present total fixed cost is much lower and still does not cover the

technically, the billing MD may be brought down to 70%. The proposal is ridiculous. The MD recorded is only during any half an hour in the entire month. These are some instantaneous loads for a very short duration. There may not be any consumption. Hence, billing for energy for entire month for any half an hour MD shoot is ridiculous. It should be dropped.	fixed costs. Hence, a marginal increase is sought.
Commission's Views: The request for increase in fixed cost has been appropriately dealt with in this Tariff Order.	
41. The service of reconnection should be free. Existing reconnection charges are nominal and quite comparable to services rendered. Existing reconnection charges should be continued or they should be dropped as a matter of service to the consumers.	Existing reconnection charges are continued or may be enhanced
Commission's Views: The issue does not pertain to tariff application.	
42. **Objections on ARR of FY23:** GESCOM has stated that the gap for FY 23 is Rs.1816.94 Crores and hence has requested the Commission to hike the tariff by 236 paise per unit for all category of consumers. This has two components, first one is the revenue gap carried forward from FY 21 Rs. 1169.90 crores due to truing up and second one is gap in revenue for FY 23 Rs. 406.74 crores. Third one is the Regulatory assets and carrying cost of Rs.240.30 crores.	GESCOM in its tariff petition has submitted the losses of FY21 at operational level Rs. 665.84 Crores including deferred tax liability and Rs. 504.06 Crores which is the regulatory assets to be recovered in subsequent tariffs. Hence, the losses of Rs. 1169.90 Crores and Rs. 665.84 Crores include the interest and finance charges, depreciation, interest on power purchased cost, cost of power and O&M expenditures. The statement of above expenditure which is incurred as per financial statement is filed

The first one should be rejected. GESCOM has paid Rs. 1169.90 crores towards fixed charges without purchasing any power from thermal stations. This should be paid by the Govt. It should not be loaded on to the consumers. This should be disallowed. The gap for FY 23 is Rs 406.74 crores. Thus the revenue gap will be only Rs.647.04 crores and not Rs 1816.94 crores. It means the hike per unit can be 83 paise . Further this itself is questioned in our objections. GESCOM has claimed 236 paise which is wrong.	before the Hon'ble Commission. Hence the amount which includes not only power purchase cost but other costs also. The gap/loss of FY21 is Rs. 1169.90 Crores, the deficit of FY23 Rs. 406.74 crore, the carrying cost at12% on the deficit of Rs. 1169.90 which amounts to Rs. 140.39 Crores and regulatory assets as per tariff order 2020 along with interest at 12% shall be recovered, which amounts to Rs. 99.92 Crores. Hence the total gap of Rs. 1816.94 Crores for FY23, for which hike of 236 paise is required to meet the entire gap for FY-23. The legitimate expenses incurred during financial year FY21 shall be allowed in true up for FY21.
Commission's Views: The matter has been dealt with appropriately in the relevant chapter of this Tariff Order.	
43. The HT consumption has come down by 13.47 % from FY20 to FY 21. Hence the additional purchase goes to IP sets and HT consumers are made to pay this additional purchase which actually goes to IP sets, This results in greater increase in HT tariff. Hence HT consumers are leaving Grid and opting for private purchase. In order to prevent HT consumers leaving the Grid, tariff of HT consumers should be reduced by at least 100 paise per unit.	The consumption of the HT consumers in FY21 has reduced due to Covid19 pandemic and Lock down imposed by G.O.I which impacted the overall sales including the IP sets, with these facts submitted in the tariff petition. It is evident that the additional power purchase has not been made as compared to power purchase approved by the Commission. In line with objector's suggestion, GESCOM has already proposed reduction of HT category Tariff by 100 Paise /unit to retain the HT consumers in the grid.

Commission's Views: The Commission does not agree with reply furnished by GESCOM. The Commission would like to point out that, GESCOM has proposed reduction in energy charges and substantial increase in fixed cost. As such, there is no proposal to reduce the overall tariff to HT consumers.

44. GESCOM has not produced subsidy allocation letter.	Govt. of Karnataka has announced free power to IP sets upto and inclusive of 10 HP vide Govt. Order No. EN 55 PSR 2008 dated 04.09.2008 and to BPL consumers (Bhagya Jyoti & Kuteer Jyoti) vide Govt. order No. EN 22 PSR 2011 Dated 12.05.2011. (enclosed as Annexure 1.1) The consumption charges in respect of both the categories are borne by GoK and are reimbursed to GESCOM in the form of subsidy. The quantum of subsidy is determined based on the energy sold and the Commission determined tariff. The Govt's commitment already exists for these categories of consumers through budgetary support. Reference is drawn to Para 1 & 2. Page No. 1 of the order which clearly mentions that the direction of the orders are in effect until further orders are issued in the matter. The requirement of subsidy is communicated in the tariff petition in format D2 & D21 which specifically highlights the subsidy requirement as these orders are consistently in practice since past several years and no modifications/ amendment is issued in this regard from Govt. A separate letters conveying the same again in the current year is felt not essential.

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Commission's Views: The subsidy commitment is being given in the Budget approved by the Government and hence there is no need to seek separate letter from the Government.

45. GESCOM has stated that un-authorised IP sets are planned to be serviced. GESCOM has not given how many un-authorised IP sets are there. How many remain to be serviced. This figure can be misused in working out IP set consumption.	GESCOM has invited Tenders for regularization of un-authorized IP set consumers who have paid the requisite regularization fee of Rs. 10000/-. There are 7246 un-authorized IP sets pending as on 31.03.2021 and GESCOM has allotted Rs. 40.79 Crores for FY 2021-22 for creation of infrastructure for UAIPs. Apart from this, GESCOM is taking up works of creation of infrastructure to UAIPs through labour contract duly supplying the material departmentally.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM.	
46. Specific consumption of IP sets was considered as 6890 units for FY18. The Specific consumption of IP sets for FY19 was considered as 7980 units/IP set/annum. The actual specific consumption for FY21 is 7947. Thus the specific consumption is a figure at the whims and fancy of GESCOM to adjust the losses and to adjust the consumption and to adjust the purchase of energy. The whole thing is a manipulation. We get a doubt whether the tariff revision petition is a realistic picture of working of GESCOM or manipulated picture of GESCOM.	In GESCOM, through implementation of various schemes like NJY and DDUGJY rural feeders with mixed load are bifurcated into agri (EIP) and non-agri (NJY) feeders. As on 31.01.2022 there are 1026 EIP feeders and 646 NJY feeders in GESCOM. The specific consumption is calculated based on the IP set consumption recorded at sub-station end and number of IP sets connected to the particular feeder. There is no manipulation of data in this regard.

Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. The manner of computation of energy consumption of IP sets has been discussed in the

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relevant Chapters of this Tariff Order.	
47. GESCOM has not achieved segregation of technical and commercial losses as per the tariff policy announced in 2006.	Action is being initiated to upgrade the distribution system, emphasize more on to reduce technical losses by stringent action, regulations, inspections in field by vigilance wing & O&M field officers to check power thefts and misuse of electricity to reduce Commercial losses.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
48. GESCOM has not furnished the details of average number of interruptions per consumer and average duration of interruptions per consumer.	The annual average number of interruptions per consumer is about 0.261 numbers and average hours of interruptions is approximately 3:51:45 hours per feeder for the year 2021-22 (upto Dec-2021). Also, on a comparison of the duration of interruptions with the preceding year, it can be significantly noted that there is improvement in reliability of power supply i.e., the SAIDI during FY21 was 5:57:27 against 03:51:45 for FY22.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
49. Though the consumer indexing was started by GESCOM many years back, it has not completed the same.	The Consumer indexing is under progress and Consumer indexing for 3048744 installations is completed, against the existing 3367070 number of installations and for the balance installations, consumer indexing work is under process and will be completed shortly.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. GESCOM is directed to complete this work within a definite time frame instead of furnishing reply as 'will be completed shortly'.	

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50. Geographical positioning system, though started many years back has not been completed. This again reflects inefficiency of GESCOM.	Geographical positioning system is being done in R-APDRP area and GIS mapping of DTCs. DTCs are mapped under GPS in non-RAPDRP area
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. GESCOM is directed to complete this work within a definite time frame.	
51. Vigilance cases are booked by the Police. This is wrong. Cases should be booked by the Assessing Officer. The Commission may send clear directions in this regard.	As per Electricity Act 2003 theft cases are detected and booked by the inspecting/assessing officer and the same are registered by Police Officers. The progress of the cases and its realization is submitted in tariff filing for Revision of Tariff for FY23 and also being submitted regularly to the KERC.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM.	
52. GESCOM had to pay interest for the delayed payments to the Generators. Such interest for the delayed payment made to the Generators should not be passed on to the Consumers.	Interest on delayed payment of monthly bills of generators is not passed on to the consumers since the interest amount is not allowed on the Power purchase cost by the Hon'ble KERC.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
53. Govt of India has come out with Debt Restructuring Scheme called Ujwal Discoms Assurance Yojana **(UDAY)**. GESCOM has not accepted the Scheme. Why ?	All ESCOMs of Karnataka including GESCOM are part of UDAY for operational performance and performance monitoring. The financial restructuring for ESCOMs was not opted by GoK.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
54. The average cost of hydel stations is 84.31 paise per unit. The average cost of thermal stations is 435.51 paise. Hence GESCOM should utilize more and more	As per GoK order dated 25-03-2021 source-wise percentage of allocation has been made to GESCOM for payment of monthly energy bills. The average power purchase

hydel power.	cost of Hydel Stations is less than the average power purchase cost of Thermal Stations during FY 21. However, the GESCOM has requested to the Energy Department, GoK, Bengaluru vide Letter dated 27.08.2019 and 29.01.2020 for more allocation of hydel source of energy available from various sources to GESCOM, in place of high cost energy.
Commission's Views: The Objector is perhaps aware that the hydel resources are limited and the scarce resources have to be allocated among ESCOMs in certain proportions. Hence utilising more hydro is subject to allocation by the GoK.	
55. Small Scale Industries are suffering a lot. Many have been closed. The total consumption of Small Industries has come down. They are bearing the load of cross subsidy. They have to compete in the Global Market. Their cost of production should be at par with Global Manufacturers. Keeping all these issues in mind it is submitted that there should be a separate tariff for Small Scale Industries and this tariff should be Rs.1 less than the other Tariffs. Only then Small Scale Industries can survive in the Global Market and contribute for the development of the State.	In the tariff revision petition for FY23 the proposal for reduction of energy charges is submitted for LT Category of consumers by 50 paise/unit and for HT category of consumers by Re 1/unit. However, ToD Tariff, Special Incentive Scheme and Discounted Energy Rate scheme can be availed by the industrial consumers.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.	
56. The percentage of HT consumers is only 0.15. But, they are giving revenue of 17.86%. The MSME policy is to encourage Industries. The unscheduled load	At present, no load shedding is being done in GESCOM. Unscheduled load shedding is resorted to only in case of sudden generation loss, emergent repair

shedding and frequent interruptions have caused unbearable loss to the industries. Many industries have closed due to unreliable power supply. Though it costs less to supply to the industrial consumers, than the residential consumers, industries are charged the highest. This is total violation of the Electricity Act 2003. The growth of number of installations is 5.9 %. But the consumption growth is less than 1%. This clearly indicates that HT consumers are not availing GESCOM power and are availing, power from non-GESCOM suppliers. This is a serious matter.This has not been addressed by GESCOM.	works and unforeseen situations. For planned maintenance, it is given in the newspapers at least 24 hours before the scheduled work. The details have been furnished to KASSIA in the reply.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM but directs GESCOM to ensure quality and reliable supply of power to ensure that industrial consumers do not opt for Open Access.	
57. Delhi Govt. is giving 300 units free power to all Consumers. GESCOM may extend similar relief to all the Consumers.	Providing Free power supply to consumers on par with Delhi Govt. is under the purview of Government of Karnataka.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
58. **POWER SCENARIO:** Since the passing of KER Act 1999, whenever there is tariff revision there is always upward increase. Never the tariff has been reduced. In the earlier revisions the hike was small and bearable. But now the tariff hike is more. The hike has resulted in reduction in industrial consumption and some of the small industries have been closed down. The outside power is definitely costlier	At present the allocation of energy from SLDC to GESCOM is in the range of 33.87 MU to 36.91 MU per day and the utilization of energy is in the range of 23.02 MU to 26.19 MU. And also the allocation of power demand per day is in the range of 879 MW to 2505 MW, whereas the actual utilization of power demand is about 511 MW to

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than the domestic generation. ARR of all ESCOMS will increase. ESCOMS will approach the Commission for increase in tariff to pay for domestic and outside power purchase. This scenario will be quite disastrous to the industries. The Commission should order ESCOMs to come out with short-term and long term solutions.	1709 MW per day. Hence, GESCOM has not implemented any scheduled or un-scheduled load shedding.

Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. The GESCOM is advised to bring in short-term and long-term measures to arrange quality and un-interrupted power to the consumers.

59. The applicant has not disclosed any plan for the introduction of pre-paid meters as provided under Section 47(5) of the Electricity Act, 2003 to HT industries. If power supply through pre-paid meters are introduced by GESCOM, and the consumer is prepared to take the supply through a pre-payment meter, Consumer would not be required to give security deposit and also he would get back the security deposit already deposited. Since GESCOM has not arranged for supply through pre-payment meters, even after 15 years from coming into force of that provision, the applicant should not be allowed to take advantage of its own lapses to its advantage. Prepaid metering allows the consumers to pay for electricity before it is consumed. Prepaid metering eliminates	Presently GESCOM is not implementing the pre-paid meters, however it will be implemented upon the directions of the Commission and GoK.

the need for meter reading, billing, bill printing, distribution and collection. This in turn reduces the operational costs for utilities, ensures better revenue collection. Twelve Utilities have already implemented prepaid meters. North Delhi has installed about 5000 prepaid meters. In Vijaya Steels Vs GESCOM, the Court has held that if the Consumer is willing to take supply through a pre-paid meter the GESCOM should adjust Security Deposit in future bills of those consumers. Inspite of that GESCOM has not implemented pre-paid meters. And the present ERC is silent about it. What is the intention of GESCOM and why Commission is silent?	
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. The metering policy is being implemented as per the decisions of the CoI and GoK. Prepaid metering has already been introduced for all temporary and government installations. When it is extended to all the other consumers, the same will be enforced by the Commission.	
60. **Universal Metering:** Section 55 of Electricity Act has stipulated no installation would be serviced without a meter after 10th June 2005. ESCOMS are still servicing installations without meters.100% metering has not been achieved. This is a clear violation of the Act and Directive of the Commission. Any supply without a meter is illegal. Any	All new installations are serviced with meters. GESCOM has taken action to replace the MNR/failed meters by new Electro Static Meter to all categories of consumers except IP sets.

estimation based on an illegal transaction cannot be deemed to be the basis for tariff determination. Hence the Commission should not allow the cross subsidy in respect of un-metered category.	
Commission's Views: The metering of all other installations, except IP sets is being done as per the provisions of the Act. However, the Government of Karnataka, has to take a policy decision on metering of IP sets and to take a view on payment of subsidy in case installation of meters or other-wise.	
61. Energy intensive units, Foundries, Forging Shops, Heat treatment shops, Blow Moulding units and Steel Mills in Karnataka which are highly energy intensive and are under serious threat of closure due to high power cost which has made manufacturing activity very prohibitive due to competition from neighbouring states. A substantial reduction in tariff is required to ensure survival of these Industries in Karnataka.	GESCOM is following the directions of KERC. However, In the tariff revision petition for FY23 the proposal for reduction in energy charges is submitted for LT category of consumers by 50 Paise/unit and for HT category of consumers by Re 1/unit
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.	
Generation by GESCOM: Any generation made by KPCL or any other Private Generation gets divided in to five Companies. GESCOM should have its own generation. Under Section 51 of Act, Distribution Company can have its own generation. Hence Commission may direct GESCOM to have its own generation to the extent of 2000MW. In the Tariff Order 2016 GESCOM has stated	Under IPDS scheme total 88 GESCOM/Govt buildings are provided with solar Roof top over different locations in GESCOM Jurisdiction the total expenditure incurred for 2442 kwp SRTPV capacity is Rs 15.56 crores.

that it won't be able to fund for installation of Generation facility. GESCOM has not understood our suggestion. We have suggested competitive tariff bidding. GESCOM will not fund the Generating Station. Bidder will establish the Generating Station and will only sell energy exclusively to GESCOM at the competitive tariff.	
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. The ESCOMs have signed long-term PPAs with Central and State Government owned thermal and hydel stations and hence they are bound by such agreements. No ESCOMs can start generating power leaving aside the already signed PPAs. Solar generation/RE under the GoI/ GoK policy will act only as supplementary generation source and cannot be treated as exclusive energy sources of generation.	
62. Rural Industries are suffering a lot due to scheduled and unscheduled power cuts, interruptions, low voltage, delay in resuming power supply whenever there are faults etc. GESCOM should be instructed to supply quality power to the rural areas.	In rural area GESCOM has created independent 11KV feeders under NJY/DDUGJY schemes with an intension to provide continuous power supply to the industries and Villages.
Commission's Views: The Commission directs GESCOM to ensure un-interrupted and quality power to rural areas in view of the bifurcation of combined rural feeders into Nirantara Jyothi and independent IP set feeders. The same need to be monitored regularly by proper maintenance of the distribution network and attending to consumer complaints speedily so as to minimize the interruptions.	
63. The Commission should publish Annual Reports mentioning therein the breakup of ESCOMs' accumulated losses, efficiency, improvements etc., for the information of Public	Annual Reports are published every year. The Annual Report for FY21 audited by both the Statutory Auditors and C&AG is hosted on the GESCOM website. The Annual Accounts is also part of the Tariff Petition as

	a supporting document for Annual Performance Review for FY21.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM	
64. **Fixed charges from IP sets.** GESCOM is spending a lot of money in servicing IP sets . GESCOM is spending more money in servicing of IP sets than servicing of HT installations. For servicing a HT installation GESCOM may have to provide one pole extension. But for servicing one IP set GESCOM sometimes puts many poles and draws wires. The total expenditure for servicing one IP set is many times the expenditure to service one HT installation. Then why fixed charge is not collected from IP sets. GESCOM should collect Fixed charges for IP sets.	In line with objectors' suggestion, GESCOM has already proposed the fixed charges for IP set installations in Tariff revision petition for FY-23
Commission's Views: The Commission notes that when the entire cost of supply is being met by Government subsidy, how it is going to help the ESCOMs needs to be established. The advantage of having fixed cost in the tariff is to ensure that when the consumer do not consume any energy, the ESCOM would be assured of recovery of fixed cost to cover the fixed cost incurred by the ESCOM. In the absence of meters to the IP sets, how the ESCOM can ensure recovery of fixed cost from IP set consumers need to be elaborated.	
65. Comparison with other States is necessary. Major generation in Karnataka is Hydel and Hydel is much cheaper than thermal or Nuclear or Renewables. Hence tariff in Karnataka should be lower than in other States. But the tariff in Karnataka is more. It means Karnataka is charging more to the Consumers than other States.	GESCOM is procuring the power/energy from various sources as per Energy Department, GoK order and as approved by the KERC from time to time. Presently RE generation is more and surplus energy is sold through IEX from PCKL on behalf of all ESCOMs. However, the purchase of energy from various sources is based on Merit Order Dispatch (MOD) procedure. Under this MOD

	procedure, high cost energy will be backed down and low cost energy will be purchased by ESCOMs including GESCOM.
Commission's Views: The Commission does not subscribe to the view that the major source of generation in Karnataka is hydel energy. Of the total generation capacity of 30004.40 MW as on 31.03.2021, the share of hydel power is 3783.40 MW. This works out to 12.61%. This substantiates the fact that hydel power is not a major source of power and that the State is dependent on thermal and other RE sources to meet its power requirement.	
66. APERC has not increased tariff of domestic Consumers up to 500 Units (The Hindu dated 11-02-2020).	The Matter regarding not increase in tariff of domestic Consumers up to 500 Units is under the purview of Commission.
Commission's Views: In the State of AP, the Government is subsidising the domestic consumers' tariff. No such subsidy is available in Karnataka from the Government. Hence, the comparison is not appropriate.	
67. During 2013-14, five states –Chattisgarh ,Odisha, Rajasthan, Tamil Nadu, and Uttar Pradesh have not increased industrial tariff.(Source;Power line Magazine Sept 2014- page-47) In order to encourage industries, this year there should not be hike in tariff to the industries.	To meet the gap for FY23 GESCOM has proposed Tariff hike in the Tariff revision petition for FY-23.
Commission's Views: The comparison of tariff with other states is possible only when all the factors governing the determination of tariff are similar. In the absence of the similarity of factors, the comparison of tariff is not helpful.	
68. The KPTCL Transmission losses of GESCOM area for the FY21 as per actuals indicated in the Table -41 of APR is 6.74%, as against the 3.039% KPTCL energy losses for the entire state. Thus energy to an extent of 574.25 MU is the losses in the transmission system.	The total energy purchased by GESCOM for FY21 was 8506.11 MU which included 249.99 MU of energy generated in GESCOM jurisdiction and injected in 11/33 KV. This energy is not routed through the KPTCL network and is subsumed in GESCOM grid itself.
69. Transmission charges are common for all	

ESCOMs in the state as fixed by KERC based on the ARR of KPTCL. There should not be any excuse for Higher Transmission losses in GESCOM area, in-spite of Major thermal units KPCL & UPCL with an installed capacity 6020 MW are located in their region apart from several solar plants & wind mills and common Transmission charges per MW basis is being charged for all ESCOMs	However, the format A1 has no separate segregation for the energy injected at 11KV/33KV (which is within DISCOM voltage levels) and hence got clubbed as the transmission loss. Besides the above another reconciliation is required for this energy purchased month and the energy billed month i.e. the energy purchase is invoiced to GESCOM with in the same month, However, the energy sold to a consumer is billed and accounted by GESCOM in the subsequent month. Hence, there is a shift of one month between power purchase and energy sales considered for calculation of transmission loss & distribution loss. A statement indicating the month wise energy procurement and IF point energy and sales is enclosed .The procured and post poned for subsequent year is 812.32 MU. Considering both the factors the transmission loss is reconciled and recalculated as here under.
70. GESCOM has to incur an additional expenditure of Rs 133.63 Crores due to additional purchase of 315.75 MU energy purchase at the average power purchase rate of Rs 4.323 per kWh of energy at generator terminals, consequent to more than double the percentage of state's KPTCL Transmission losses in GESCOM area	
71. The reasons for more Transmission losses in GESCOM area, might be due to inadequate Transmission infrastructure in this area which may also results in low voltage conditions in KPTCL Transmission system buses of GESCOM area. In addition to above GESCOM to incur additional cost towards power purchase, but paying common Transmission Charges, which is unfair to electricity consumers of GESCOM.	
72. Disallow Rs 133.63 Crores for the Year FY-21 and similar amounts in FY- 20 also.	

Ref Form -No	PARTICULARS		Audited
			FY 21
A	Total Generation (Energy Purchased in Mu)		8506.11
B	Energy Generation at 11 KV & 33 KV		249.99
C	Difference b/w Energy Accounted ie., Avaiable from April 2020- March 2021 & Energy considered for Billing in DCB From March-2020 to Feb-2021		110.40
T1/D 1	GENERATOR TERMINAL Excluding B & C (66kV and above)	In MU	8145.72

	TRANSMISSION LOSS in MU	In MU	213.86
	Transmission Loss in %		2.63
T1/D 1	ENERGY AVAILABLE (IF Point Consumption From March-2020 to February-2021)	In MU	7931.86
	DISTRIBUTION LOSS	In MU	929.61
T2/D 2	ENERGY SOLD	In MU	7002.25
	DISTRIBUTION LOSS	IN %	11.72

From the above table it could be seen that the transmission loss is 2.590% & not 6.74%. As such there is no additional expenditure of Rs. 133.63 Crores as pointed out by the objector.

In view of above, Hon'ble Commission is kindly requested to consider our explanation and approve the power purchase cost and transmission expenses filed in the Annual Performance Review for FY-21 by GESCOM.

Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.

73. Power Purchase cost from KPCL's (6units) and UPCL Thermal Units with a capacity of 5200 MW has an annual energy generation of about 29190 MU as per PPAs. 74. GESCOM has a share of 6.89% from these 6 thermal plants of KPCL and has to utilize annually about 2011 MU.	As per GoK order dated 25-03-2021 percentage of allocation has been made to GESCOM for payment of monthly energy bills of KPCL's 6 Thermal plants. Accordingly, GESCOM has admitted the energy bills of these Thermal Plants and the total procurement of energy & actual cost is within the limit of KERC approved quantum of energy and cost during FY21. However, some of the KPCL Thermal Stations energy was backed down by SLDC as per Merit Order Dispatch due to which some of the

Thermal Stations are under Reserve Shut Down & during the RSD period GESCOM has admitted only capacity charges bills as per PPA terms & conditions. The details of energy & cost approved by KERC for FY 21 & actuals as per D1 are mentioned in below table:

75. During FY-21 GESCOM has purchased only 653 MU from these 6 Plants and 1358 MU remained un-utilised by backing down these thermal units, and paying only capacity charges without actually utilizing the contracted energy.

Source	Approved Energy (MU)	Actual Energy (MU)	Approved Capacity Charges (Rs Crs)	Actual Capacity Charges (Rs Crs)
RTPS 1 - 7	465.48	224.99	58.77	68.25
RTPS 8	98.00	8.33	15.03	1.56
BTPS -1	85.14	30.52	22.83	19.31
BTPS -2	92.41	92.73	31.96	31.93
BTPS -3	168.29	77.25	52.84	67.69
YTPS	129.80	219.06	99.34	77.52
Total KPCL Thermal	1039.12	652.89	280.77	266.26

Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.

76. The average capacity charges as per PPA for all these 6 thermal units will be about Rs 1.40 per kWh, whereas GESCOM has paid at the rate of about Rs. 4.08 per kWh.

GESCOM has admitted the monthly energy bills of KPCL's 6 Thermal units as per PPA Terms & Conditions. The details of capacity charges approved by KERC and actuals as per D1 for FY 21 are as follows:

Source	Approved by KERC			Actuals as per D1		
	Energy (MU)	Capacity Charges (Crs)	Capacity Charges (R/U)	Energy (MU)	Capacity Charges (Crs)	Capacity Charges (R/U)
RTPS 1 - 7	465.48	58.77	1.26	224.99	68.25	3.03
RTPS 8	98.00	15.03	1.53	8.33	1.56	1.87

BTPS -1	85.14	22.83	2.68	30.52	19.31	6.33
BTPS -2	92.41	31.96	3.46	92.73	31.93	3.44
BTPS -3	168.29	52.84	3.14	77.25	67.69	8.76
YTPS	129.80	99.34	7.65	219.06	77.52	3.54
Total KPCL Thermal	1039.12	280.77	2.70	652.89	266.26	4.08

The capacity charges admitted by GESCOM is within the limit of capacity charges approved by KERC. However, the average actual capacity charges per unit for 6 Thermal Stations is Rs 4.08 per unit which is more than the approved capacity charges of Rs 2.70 per unit due to payment of only Capacity Charges under Reserve Shut Down period during the FY 21.

Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.

77. GESCOM has paid capacity charges of Rs.266.26 Crores for 653 MU against Rs. 91.0 Crores ought to have been paid at Rs 1.40 per kWh. Thus an amount of Rs 175.0 Crores has been paid excess over the PPA rates due to in efficiency of GESCOM in not only entering in to long term PPAs for the excess power purchase, but also not marketing effectively for selling surplus power for which the electricity consumers should not be held responsible and penalized.

GESCOM has admitted the monthly energy bills as per PPA. The details of Approved energy & cost and actual energy and cost as per D1are as follows:

Source	Approved Energy (MU)	Actual Energy (MU)	Approved Capacity Charges (Crs)	Actual Capacity Charges (Crs)
RTPS 1 – 7	465.48	224.99	58.77	68.25
RTPS 8	98.00	8.33	15.03	1.56
BTPS -1	85.14	30.52	22.83	19.31
BTPS -2	92.41	92.73	31.96	31.93
BTPS -3	168.29	77.25	52.84	67.69
YTPS	129.80	219.06	99.34	77.52
Total KPCL Thermal	1039.12	652.89	280.77	266.26

	The actual energy purchases & capacity charges admitted by GESCOM is within the KERC approved limit of energy & capacity charges. Hence, there is no excess payment of capacity charges than the KERC approved capacity charges. However, GESCOM is selling the surplus/excess power through IEX from PCKL on behalf of all ESCOMs.

Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.

78. Similarly, UPCL thermal plant with an installed capacity of 1200 MW has an annual generation capacity of about 7752 MU and GESCOM has a share of about 11 % amounting to 853 MU per annum. But GESCOM has utilized only about 237.21MU and paid Rs 120.06 Crores against Rs 32.55 Crores, resulting in an excess payment of Rs 87.5 Crores due to inefficiency of GESCOM in not only entering in to long term PPA for the excess power purchase, but also not marketing effectively for selling surplus power for which the electricity consumers should not be held responsible and penalized.	GESCOM has admitted the monthly energy bills of UPCL as per PPA & GoK percentage of allocation at 11% during FY 21. The details of approved energy & cost and actual energy & cost as per D1 are as follows:

Source	Approved Energy (MU)	Actual Energy (MU)	Approved CC (Crs)
UPCL	396.00	237.21	125.53

The actual energy purchases & capacity charges admitted by GESCOM of UPCL is within the KERC approved limit of energy & capacity charges. Hence, there is no excess payment of capacity charges than the KERC approved capacity charges. However, GESCOM is selling the surplus/excess power through IEX from PCKL on behalf of all ESCOMs.

Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.	
79. The GESCOM has not initiated any measures to promote additional energy sales in HT & EHT category installations utilizing the Special incentive measures as per Tariff order and also has not initiated any measures to induce the many major Cement & Steel industries in GESCOM area, who are running their units on their captive power plants.	The measures taken by GESCOM to encourage EHT/HT consumers to consume more power from the grid and to bring back the open access/wheeling consumers and to create awareness regarding discounted energy rate scheme, Special Incentive Scheme, are as follows: ➢ Interaction in monthly meetings with EHT/HT consumers ➢ Press meeting held on 06-08-2021 regarding Special Incentive Scheme offered to the HT consumers ➢ Paper notification regarding discounted energy rate scheme published in newspapers, Samyukta Karnataka/ VijayaVani on 07-08-2021 (a copy of paper cutting is attached). ➢ Paper notification published in the Deccan Herald newspaper on 19-01-2022 regarding extension of discounted energy rate scheme upto march-2022 (a copy of paper cutting is attached)
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. GESCOM should substantiate with facts and figures about increase in sales after promoting the new schemes.	
80. GESCOM has entered into a PPA on medium term basis with 36 Co-Generation power plants of Sugar	As per GoK order No. EN 16 PPT 2016 dated 11-11-16 all ESCOMs including GESCOM have executed the medium term PPA with

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<table>
<tr><td>Industries in pursuant to KERC order or any order for a period of 5 years. The period of above PPA has come to end. GESCOM should have indicated whether the PPAs of 36 Co - Generators have been terminated or not.

If terminated GESCOM should not reenter into PPAs with those 36 Co – Generators as the term of 5 years is completed. If not terminated GESCOM should give the reason for continuing the contract in spite of period of 5 years completed.

In any case in FY 23 energy purchased in pursuant to KERC Order shall not be allowed.</td>
<td>Co-Generation Firms. The details of PPA date & expiry of PPA dates are as follows:
<table>
<tr><th>SL No.</th><th>No. of Co-Gen Firms</th><th>PPA date</th><th>PPA expiry date</th></tr>
<tr><td>1</td><td>24 Firms</td><td>02-01-2017</td><td>01-01-2022</td></tr>
<tr><td>2</td><td>03 Firms</td><td>17-02-2017</td><td>16-02-2022</td></tr>
<tr><td>3</td><td>09 Firms</td><td>18-01-2018</td><td>17-01-2023</td></tr>
</table>
GESCOM has already communicated to the PCKL & also a copy was submitted to Additional Chief Secretary to Govt. Energy Dept. vide Letter dated 01-01-2022 intimating that GESCOM is not willing to purchase the power from the Co-Generation units, after the expiry of 5 years PPA period.</td></tr>
<tr><td colspan="2">Commission's Views: The Commission has taken note of the reply furnished by the GESCOM</td></tr>
<tr><td>81. In Tariff Order 2021, this Hon'ble Commission considering the capital expenditure made up to FY 20 and proposed CAPEX for FY 21 has refixed upper limit of Distribution Loss for FY 21 at 11.25%

GESCOM has exceeded Distribution Loss limit to 11.72% against the limit of 11.25% that is 0.47 % more than the approved upper limit.</td>
<td>The Commission had approved distribution losses for FY-21 as shown in the table below:
<table>
<tr><th>SL NO.</th><th>Range</th><th>Approved FY-21 As per Tariff order 2020 Dated 04th Nov 2020</th></tr>
<tr><td>1</td><td>Upper limit</td><td>14.45%</td></tr>
<tr><td>2</td><td>Average</td><td>14.00%</td></tr>
<tr><td>3</td><td>Lower Limit</td><td>13.75%</td></tr>
</table>
The distribution loss of GESCOM for FY-21 is as shown in the table below:
<table>
<tr><th>Sl. No</th><th>Particulars</th><th>For FY-20</th></tr>
<tr><td>1</td><td>Input energy at IF points in MU (March-20 to Feb-21)</td><td>7931.81</td></tr>
<tr><td>2</td><td>Total sales in MU</td><td>7002.24</td></tr>
<tr><td>3</td><td>Avg. Distribution loss in %</td><td>11.72%</td></tr>
</table></td></tr>
</table>

	However, in the Tariff Order 2021 dated: 09.06.2021, Hon'ble Commission revised average distribution loss level of 11.00 % for FY-21, i.e., after closer of financial year FY-21 against the approved average distribution loss of 14% in tariff order 2020 dated: 04.11.2020. GESCOM achieved 11.72% distribution loss for FY-21 and this loss level is well within the approved limit and hence impossible for GESCOM to retrospectively improve/ achieve the distribution loss target during FY-21. Hence GESCOM requested the Hon'ble Commission to consider distribution loss level as per tariff order dated: 04.11.2020 which was in effect for FY21.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.	
82. Considering the capital expenditure incurred in the past the Distribution Loss is not commensurate with the investment and should have much lower The real distribution loss is much more then what is being shown. It is a fact that 50 to 55% of the sale of energy is sold to un metered installations. In un metered sale there is a possibility of showing excess sale in terms of IP sets, Street Light, and water supply in order	In view of above reasons as explained in the above paras, the Commission is requested to allow the distribution loss achieved by the GESCOM. As compared to distribution loss as mentioned in the order passed by the Hon'ble Commission on 4th November 2020 the distribution loss achieved is lesser than the target fixed by the Commission. Hence, Hon'ble Commission is requested to allow distribution loss over and above the target

to cover up the excess losses	fixed.
The GESCOM in order to show its efficiency, should have achieved lower energy loss then what was approved by the Hon'ble Commission.	
The excess loss should not be passed on to consumer	
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.	
83. Rs 68.07 Crores of GKS shall be collected from Corporations of GoK and corresponding interest & other charges in the ARR as it should not be included in the ARR which becomes additional burden on consumers of GESCOM.	The capital grant for Ganga Kalyan works is limited to Rs. 50,000/- per installation by the Govt. of Karnataka and the remaining part of expenditure is booked in capex of GESCOM. GESCOM has been requesting the Government, through Energy Department, to enhance the capital grant from the existing Rs. 50,000/-. as it becomes difficult to fund these works from GESCOM. Presently GESCOM has not borrowed funds for execution of the Ganga Kalyan works. Hence, interest is not included in the computation of ARR on account of these work. As such there is no additional burden on the consumers.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM and the matter has been dealt with appropriately in the relevant chapter of this Tariff Order.	
84. An amount of Rs. 16.3418 Crores has been incurred for replacement of damaged Poles. Considering the maximum cost of Rs. 7424 per pole	Every year during the rainy season the areas falling under the river bed of Krishna, Bhima, Kagina, Tungabhadra suffer severe damages to electrical infrastructure due to

including erection charges, it works out to 22,200 poles during the year, in addition to incurring of Rs 12.62 Crores for CWIP Capital Expenditures incurred for restoration of infrastructure in flood affected areas. The reason for such large scale damage of poles is required to be indicated.	heavy rain and wind. Hence for every financial year GESCOM allocates budget under capex for restoration of electrical infrastructure in flood affected areas to to restore and maintain reliable power supply. The regions prone to floods are allocated with more budget as compared to other divisions. Apart from this GESCOM allocates Capex to its divisions for replacement of damaged poles. The reason for damage may be heavy rain and wind and deterioration due to ageing, severity of line faults. The works carried out under this account head consist of not only replacement of single pole but sometimes stringing of poles, DP structure, Transformer centre etc. In some instances, lines, insulators and other hardware materials also get damaged and need replacement. Hence based on the extent of damage involved the cost of work varies. Hence it cannot be ascertained that Rs.7424/- can be the cost of each work for replacement of damaged poles and to predict that 22,200 poles are damaged during FY-21 may not be appropriate.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM.	

<table>
<tr>
<td>85. About 28757 DTCs have been provided with metering for conducting DTC wise Energy Audit of distribution system, at an approximate expenditure of Rs 35.0 Crores including communication system for on- line data transfer and associated TRM soft -ware.</td>
<td rowspan="2">In GECOM there exist 118066 DTCs as on 31.12. 2021.Out of which there are 74058 DTCs pertain to IP category and 750 DTCs pertain to single installations. There are 43258 non- IP DTCs which require metering and energy audit. The status of DTC metering and energy audit in GESCOM is as follows:

<table>
<tr><th>Sl. No</th><th>No. of Non-IP DTCs which require metering</th><th>No. of metered DTCs</th><th>No. of un-metered DTCs</th><th>No. of DTCs for which energy audit is con-ducted</th><th>Balance DTCs to be audited</th><th>Reason for not conducting energy audit</th></tr>
<tr><td>1</td><td>43258</td><td>29089</td><td>14169</td><td>13250</td><td>15839</td><td>Meters are non-functiona for requirement of various materials like, CT, PT, lead wire, cable etc</td></tr>
</table>
</td>
</tr>
<tr>
<td>But for only about 43 % of DTCs, the energy audit is conducted, for which also action is not initiated for segregating Technical & Commercial losses and reducing both, as per the clear guideline & instructions of KERC, though about 60% of those 43% DTCs indicate losses ranging from10 % to 30%.</td>
</tr>
<tr>
<td>The meters faulty, communication failure & not mapping DTC wise installations are indicated as the reasons, since last 4-5 years for not conducting DTC wise energy Audit for all the 28,757 DTCs. It appears the GESCOM is not putting serious efforts in conducting DTC wise Audit</td>
<td rowspan="2">GESCOM has invited tenders at Zonal level for supply and installation of various materials required to make around 900/ non-functional DTC meters to functional. So far works have been completed for 3928 DTCs. GESCOM has taken up energy audit of 3928 DTCs for which meters are made functional. For DTCs where meters are not communicating GESCOM is taking manual reading and is conducting energy audit. GESCOM has already taken action to ensure 100% tagging of installations to DTC. Further Under RDSS scheme GESCOM has proposed</td>
</tr>
<tr>
<td>Hence an amount of about Rs 35 Crores incurred by GESCOM for providing metering system to DTCs shall be disallowed and corresponding</td>
</tr>
</table>

depreciation & interest charges already allowed since last 4-5 years shall be withdrawn from ARR for FY-21.	to take up metering of balance un-metered DTCs with AMI feature. GESCOM is conducting energy audit of DTCs every month and submitting to KERC in quarterly formats. Also Energy Audit of DTCs is regularly reviewed in MMR meeting. Energy audit of feeders and DTCs is reviewed regularly at Corporate Office during monthly review meeting wherein reason for the identified high loss areas are examined and corrective measures are taken. The following remedial measures in high loss areas are taken. 1. Checking ot tagging of installations to DTCs and DTCs to feeders. 2. Load balancing of DTCs. 3. Ensure 100% billing 4. Booking of theft cases. 5. Test checking of installations. 6. Replacement of DC/MNR meters. 7. Sealing of energy meters.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. However, the GESCOM shall come out with the actual achievements in terms of reduction of losses after taking all the above steps.	
86. GESCOM has availed Rs 1000 Crore interest free Loan from Gok, on this interest free Loan GESCOM is claiming Rs.54.1Cr as interest for FY- 21 as Loan amortization. it is clearly said Interest free loan there is no provision in KERC (terms and Condition for Determination of Tariff for Distribution and Retail Sale of	GESCOM had shown Rs. 54.10 Crores as interest charges which was accounted at fair value for initial recognition of GoK interest free loan of Rs. 1000 Crores as per IND AS 109. But, post Audit from C&AG team the same was nullified by accounting Rs. 54.10 Crores as Income under other Income Head. The final impact is zero when it comes to Profit

Electricity) Regulations to allow as to amortization on any interest free loan. Hence, Rs.54.1Cr to be disallowed and not passed on to tariff	and Loss statement.
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. This has been dealt with in the respective Chapter of the Commission's Order.	
87. **Direct the GoK to pay interest on arrears of subsidy:** An amount of Rs.1470.34 crore dues receivable from GoK towards subsidy which are outstanding and have accumulated over a period of time from FY- 2008 up to Dec-2021and the details are as under: Subsidy receivable 1470.34 cr Interest to be collected 1733.43 cr ---------- Total: Rs. 3203.77 Crores	s per the GoK direction in the Govt. Order dtd.12.05.2011 (Annexure 10.1), GESCOM has not levied any interest on the subsidy dues received/receivable from GoK. However, on the direction of KERC, upon objections filed during Tariff Petition for FY 2018-19, the same issue was corresponded to GoK vide letter Nos. 14843 dated. 28.06.2018 (Annexure 10.1(a)) and 18628 Dtd.20.06.2019 (Annexure 10.1 (b)) requesting to release subsidy arrears & interest thereon to which GoK replied that interest on subsidy dues will not be provided & sanctioned out of consolidated fund of the state & grant of subsidy release is restricted to the amount allocated in the budget. (GoK reply letters enclosed as Annexure 10.1 (c) & Annexure 10.1 (d)).
Commission's Views: The Commission has taken note of the reply furnished by the GESCOM. The matter of payment of interest on subsidy is being repeatedly raised in these proceedings despite clarification that the Government allocates subsidy in the budget and there is no provision to pay interest on the government dues. Hence, the consumers shall take up the matter with the Government, if they are aggrieved.	

ESCOMs TOTAL POWER PURCHASE FOR FY23 **Annexure-1 (i)**

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
A	**KPCL THERMAL**						
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	4551.37	1071.47	1310.79	2.88	2382.26	5.23
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	1057.06	234.43	303.38	2.87	537.81	5.09
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	1117.55	350.03	326.32	2.92	676.35	6.05
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	1134.95	447.12	326.87	2.88	773.99	6.82
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	3775.50	1108.20	1057.14	2.80	2165.34	5.74
6	YTPS	5508.62	2119.09	1608.52	2.92	3727.60	6.77
	TOTAL KPCL THERMAL	17145.05	5330.34	4933.02	2.8772	10263.35	5.9862
B	**CGS SOURCES**						
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	3169.16	235.53	858.84	2.71	1094.37	3.45
2	N.T.P.C-RSTP-III (1X500MW)	873.01	62.00	232.22	2.66	294.22	3.37
3	NTPC-Talcher (4X500MW)	2646.99	195.40	468.52	1.77	663.92	2.51
4	Simhadri Unit -1 &2 (2X500MW)	1260.63	212.69	373.15	2.96	585.84	4.65
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	366.33	206.90	119.06	3.25	325.96	8.90
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	921.58	71.55	245.14	2.66	316.69	3.44
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	1248.31	99.04	332.05	2.66	431.09	3.45
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	726.99	72.58	175.20	2.41	247.78	3.41
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	591.05	188.89	150.72	2.55	339.61	5.75

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
10	NLC TAMINADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	309.39	232.54	97.46	3.15	330.00	10.67
11	MAPS (2X220MW)	93.19	0.00	23.95	2.57	23.95	2.57
12	Kaiga Unit 1&2 (2X220MW)	809.01	0.00	279.92	3.46	279.92	3.46
13	Kaiga Unit 3 &4 (2X200MW)	855.24	0.00	295.91	3.46	295.91	3.46
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	1411.07	0.00	577.13	4.09	577.13	4.09
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	1327.61	0.00	542.99	4.09	542.99	4.09
16	DVC-Unit-1 &2 Meja TPS (2x500MW)	407.16	203.84	119.71	2.94	323.55	7.95
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	1431.43	293.93	385.05	2.69	678.98	4.74
18	Kudgi	2276.77	1490.04	808.25	3.55	2298.29	10.09
19	New NLC thermal Project	462.58	93.29	101.31	2.19	194.60	4.21
	TOTAL CGS Energy @ KPTCl periphery	21187.50	3658.22	6186.57	2.92	9844.79	4.65
C	**MAJOR IPPS**						
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	1870.70	1091.48	800.66	4.28	1892.14	10.11
D	**KPCL HYDEL STATIONS**						
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	4898.32		303.70	0.62	303.70	0.62
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	365.31		55.16	1.51	55.16	1.51
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	521.83		102.28	1.96	102.28	1.96
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	3054.35		290.16	0.95	290.16	0.95
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	1008.71		182.58	1.81	182.58	1.81
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	555.69		119.47	2.15	119.47	2.15

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	49.30		29.09	5.90	29.09	5.90
8	KADRA POWER HOUSE_KPH (3x50)	367.59		96.68	2.63	96.68	2.63
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	346.20		63.01	1.82	63.01	1.82
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	66.03		20.60	3.12	20.60	3.12
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	275.32		38.27	1.39	38.27	1.39
12	MUNIRABAD POWER HOUSE (2x9+1x10)	79.89		9.27	1.16	9.27	1.16
	TOTAL KPCL HYDRO	11588.54	0.00	1310.26	1.13	1310.26	1.13
E	**OTHER HYDRO**						
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	189.30		58.68	3.10	58.68	3.10
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	38.17		2.10	0.55	2.10	0.55
	TOTAL OTHER HYDRO	227.47		60.78	2.67	60.78	2.67
F	**RE SOURCES**						
1	WIND-IPPS	6193.08		2452.46	3.96	2452.46	3.96
2	KPCL-WIND (9x0.225+10x0.230)	7.13		2.79	3.91	2.79	3.91
3	MINI HYDEL-IPPS	1395.66		467.55	3.35	467.55	3.35
4	CO-GEN	592.69		345.54	5.83	345.54	5.83
5	CAPTIVE /wind MOA	204.35		61.71	3.02	61.71	3.02
6	BIOMASS	185.58		100.03	5.39	100.03	5.39
7	Solar Existing /SRTPV	9076.53		3892.34	4.29	3892.34	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YAPALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)	7.03		4.22	6.00	4.22	6.00
	TOTAL RE	17662.05	0.00	7326.63		7326.63	4.15
G	**BUNDLED POWER**						
1	Bundled power Coal	463.27		126.47	2.73	126.47	2.73

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
2	Bundled power Solar(OLD)	120.50		126.77	10.52	126.77	10.52
3	Bundled power Solar(NEW)	1380.80		662.78	4.80	662.78	4.80
	Total Bundled Power	1964.57	0.00	916.02	4.66	916.02	4.66
H	**TOTAL TRANSMISSION & SLDC CHARGES**						
1	KPTCL TRANSMISSION CHARGES		5093.771			5093.771	
2	PGCIL CHARGES		2487.740			2487.740	
3	SLDC		32.984			32.984	
4	POSOCO CHARGES		4.400			4.400	
I	**TOTAL INCLUDING TRANSMISSION & SLDC CHARGES**	**71645.875**	**17698.93**	**21533.94**	**3.0056**	**39232.871**	**5.47594**

ESCOMs TOTAL POWER PURCHASE FOR FY24							
Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
A	KPCL THERMAL						
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	5579.34	1103.96	1640.33	2.94	2744.29	4.92
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	1100.00	233.91	322.30	2.93	556.21	5.06
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	1200.00	355.37	357.60	2.98	712.97	5.94
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	1308.95	443.33	384.83	2.94	828.16	6.33
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	3500.00	868.96	1001.00	2.86	1869.96	5.34
6	YTPS	6239.75	2400.00	1859.44	2.98	4259.44	6.83
	TOTAL KPCL THERMAL	18928.04	5405.53	5565.50	2.9403	10971.03	5.7962
B	CGS SOURCES						
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	3169.16	235.53	876.02	2.76	1111.55	3.51
2	N.T.P.C-RSTP-III (1X500MW)	873.01	62.00	236.87	2.71	298.87	3.42
3	NTPC-Talcher (4X500MW)	2646.99	195.40	477.89	1.81	673.29	2.54
4	Simhadri Unit -1 &2 (2X500MW)	1260.63	212.69	380.61	3.02	593.30	4.71
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	366.33	206.90	121.44	3.32	328.34	8.96
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	921.58	71.55	250.04	2.71	321.59	3.49
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	1248.31	99.04	338.69	2.71	437.73	3.51
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	726.99	72.58	178.71	2.46	251.29	3.46
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	591.05	188.89	153.73	2.60	342.62	5.80
10	NLC TAMINADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	309.39	232.54	99.41	3.21	331.95	10.73
11	MAPS (2X220MW)	93.19	0.00	24.43	2.62	24.43	2.62
12	Kaiga Unit 1&2 (2X220MW)	809.01	0.00	285.52	3.53	285.52	3.53

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
13	Kaiga Unit 3 &4 (2X200MW)	855.24	0.00	301.83	3.53	301.83	3.53
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	1411.07	0.00	588.67	4.17	588.67	4.17
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	1327.61	0.00	553.85	4.17	553.85	4.17
16	DVC-Unit-1 &2 Meja TPS (2x500MW)	407.16	203.84	122.10	3.00	325.94	8.01
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	1431.43	293.93	392.76	2.74	686.69	4.80
18	Kudgi	2276.77	1590.04	824.42	3.62	2414.46	10.60
19	New NLC thermal Project	462.58	93.29	103.33	2.23	196.62	4.25
	TOTAL CGS Energy @ KPTCl periphery	21187.50	3758.22	6310.30	2.98	10068.52	4.75
C	**MAJOR IPPS**						
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	2000.00	1091.48	874.00	4.37	1965.48	9.83
D	**KPCL HYDEL STATIONS**						
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	4898.32		309.77	0.63	309.77	0.63
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	365.31		56.27	1.54	56.27	1.54
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	521.83		104.32	2.00	104.32	2.00
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	3054.35		295.97	0.97	295.97	0.97
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	1008.71		186.23	1.85	186.23	1.85
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	555.69		121.86	2.19	121.86	2.19
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	49.30		29.67	6.02	29.67	6.02
8	KADRA POWER HOUSE_KPH (3x50)	367.59		98.61	2.68	98.61	2.68
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	346.20		64.27	1.86	64.27	1.86
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	66.03		21.01	3.18	21.01	3.18
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	275.32		39.03	1.42	39.03	1.42
12	MUNIRABAD POWER HOUSE (2x9+1x10)	79.89		9.45	1.18	9.45	1.18
	TOTAL KPCL HYDRO	11588.54	0.00	1336.46	1.13	1336.46	1.15

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
E	**OTHER HYDRO**						
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	189.30		60.01	3.17	60.01	3.17
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	38.17		2.14	0.56	2.14	0.56
	TOTAL OTHER HYDRO	227.47		62.14	2.67	62.14	2.73
F	**RE SOURCES**						
1	WIND-IPPS	6193.08		2452.46	3.96	2452.46	3.96
2	KPCL-WIND (9x0.225+10x0.230)	7.13		2.79	3.91	2.79	3.91
3	MINI HYDEL-IPPS	1395.66		467.55	3.35	467.55	3.35
4	CO-GEN	592.69		345.54	5.83	345.54	5.83
5	CAPTIVE /wind MOA	204.35		61.71	3.02	61.71	3.02
6	BIOMASS	185.58		100.03	5.39	100.03	5.39
7	Solar Existing /SRTPV	9258.82		3970.41	4.29	3970.41	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YAPALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)	7.03		4.22	6.00	4.22	6.00
	TOTAL RE	17844.34	0.00	7404.70		7404.70	4.15
G	**BUNDLED POWER**						
1	Bundled power Coal	463.27		126.47	2.73	126.47	2.73
2	Bundled power Solar(OLD)	120.50		126.77	10.52	126.77	10.52
3	Bundled power Solar(NEW)	1380.80		662.78	4.80	662.78	4.80
	Total Bundled Power	1964.57	0.00	916.02	4.66	916.02	4.66
H	**TOTAL TRANSMISSION & SLDC CHARGES**						
1	KPTCL TRANSMISSION CHARGES		5415.747			5415.747	
2	PGCIL CHARGES		2549.934			2549.934	
3	SLDC		32.020			32.020	
4	POSOCO CHARGES		4.400			4.400	
I	**TOTAL INCLUDING TRANSMISSION & SLDC CHARGES**	**73740.447**	**18257.33**	**22469.14**	**3.05**	**40726.468**	**5.523**

ESCOMs TOTAL POWER PURCHASE FOR FY25							
Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/ Unit in Rs	Amount in Crores	Cost/Unit in Rs
A	KPCL THERMAL						
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	5900.00	1136.56	1770.00	3.00	2906.56	4.93
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	1100.00	232.62	328.90	2.99	561.52	5.10
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	1300.00	360.74	395.20	3.04	755.94	5.81
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	1400.00	457.52	420.00	3.00	877.52	6.27
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	3775.50	826.50	1098.67	2.91	1925.17	5.10
6	YTPS	6169.68	2400.00	1875.58	3.04	4275.58	6.93
	TOTAL KPCL THERMAL	19645.18	5413.94	5888.35	2.9974	11302.29	5.7532
B	CGS SOURCES						
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	3169.16	235.53	893.54	2.82	1129.07	3.56
2	N.T.P.C-RSTP-III (1X500MW)	873.01	62.00	241.60	2.77	303.60	3.48
3	NTPC-Talcher (4X500MW)	2646.99	195.40	487.45	1.84	682.85	2.58
4	Simhadri Unit -1 &2 (2X500MW)	1260.63	212.69	388.22	3.08	600.91	4.77
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	366.33	206.90	123.87	3.38	330.77	9.03
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	921.58	71.55	255.04	2.77	326.59	3.54
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	1248.31	99.04	345.47	2.77	444.51	3.56
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	726.99	72.58	182.28	2.51	254.86	3.51
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	591.05	188.89	156.81	2.65	345.70	5.85
10	NLC TAMINADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	309.39	232.54	101.40	3.28	333.94	10.79

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/ Unit in Rs	Amount in Crores	Cost/Unit in Rs
11	MAPS (2X220MW)	93.19	0.00	24.92	2.67	24.92	2.67
12	Kaiga Unit 1&2 (2X220MW)	809.01	0.00	291.23	3.60	291.23	3.60
13	Kaiga Unit 3 &4 (2X200MW)	855.24	0.00	307.87	3.60	307.87	3.60
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	1411.07	0.00	600.44	4.26	600.44	4.26
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	1327.61	0.00	564.93	4.26	564.93	4.26
16	DVC-Unit-1 &2 Meja TPS (2x500MW)	407.16	203.84	124.54	3.06	328.38	8.07
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	1431.43	293.93	400.61	2.80	694.54	4.85
18	Kudgi	2276.70	1590.04	840.88	3.69	2430.92	10.68
19	New NLC thermal Project	462.58	93.29	105.40	2.28	198.69	4.30
	TOTAL CGS Energy @ KPTCL periphery	21187.43	3758.22	6436.49	3.04	10194.71	4.81
C	**MAJOR IPPS**						
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	3500.00	1091.48	1560.09	4.46	2651.57	7.58
D	**KPCL HYDEL STATIONS**						
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	4898.32		315.97	0.65	315.97	0.65
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	365.31		57.39	1.57	57.39	1.57
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	521.83		106.41	2.04	106.41	2.04
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	3054.35		301.89	0.99	301.89	0.99
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	1008.71		189.95	1.88	189.95	1.88
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	555.69		124.30	2.24	124.30	2.24
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	49.30		30.26	6.14	30.26	6.14

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/ Unit in Rs	Amount in Crores	Cost/Unit in Rs
8	KADRA POWER HOUSE_KPH (3x50)	367.59		100.58	2.74	100.58	2.74
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	346.20		65.55	1.89	65.55	1.89
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	66.03		21.43	3.25	21.43	3.25
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	275.32		39.82	1.45	39.82	1.45
12	MUNIRABAD POWER HOUSE (2x9+1x10)	79.89		9.64	1.21	9.64	1.21
	TOTAL KPCL HYDRO	11588.54	0.00	1363.19	1.13	1363.19	1.18
E	**OTHER HYDRO**						
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	189.30		61.59	3.25	61.59	3.25
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	38.17		2.20	0.58	2.20	0.58
	TOTAL OTHER HYDRO	227.47		63.79	2.67	63.79	2.80
F	**RE SOURCES**						
1	WIND-IPPS	6193.80		2452.74	3.96	2452.74	3.96
2	KPCL-WIND (9x0.225+10x0.230)	7.13		2.79	3.91	2.79	3.91
3	MINI HYDEL-IPPS	1395.66		467.55	3.35	467.55	3.35
4	CO-GEN	592.69		345.54	5.83	345.54	5.83
5	CAPTIVE /wind MOA	204.35		61.71	3.02	61.71	3.02
6	BIOMASS	185.58		100.03	5.39	100.03	5.39
7	Solar Existing /SRTPV	9261.90		3971.33	4.29	3971.33	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YAPALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)	7.03		4.22	6.00	4.22	6.00
	TOTAL RE	17848.14	0.00	7405.91		7405.91	4.15
G	**BUNDLED POWER**						
1	Bundled power Coal	463.27		126.47	2.73	126.47	2.73
2	Bundled power Solar(OLD)	120.50		126.77	10.52	126.77	10.52
3	Bundled power Solar(NEW)	1380.80		662.78	4.80	662.78	4.80
	Total Bundled Power	**1964.57**	**0.00**	**916.02**	**4.66**	**916.02**	**4.66**

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/ Unit in Rs	Amount in Crores	Cost/Uni t in Rs
H	**TOTAL TRANSMISSION & SLDC CHARGES**						
1	KPTCL TRANSMISSION CHARGES		5803.792			5803.792	
2	PGCIL CHARGES		2613.682			2613.682	
3	SLDC		34.620			34.620	
4	POSOCO CHARGES		4.400			4.400	
I	**TOTAL INCLUDING TRANSMISSION & SLDC CHARGES**	**75961.324**	**18720.13**	**23633.84**	**3.11**	**42353.9782**	**5.576**

Sl no	NAME OF THE GENERATING STATION	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit In Rs
A	**KPCL THERMAL**							
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	10.9686	499.22	117.52	143.78	2.88	261.30	5.23
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	10.9686	115.94	25.71	33.28	2.87	58.99	5.09
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	10.9686	122.58	38.39	35.79	2.92	74.19	6.05
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	10.9686	124.49	49.04	35.85	2.88	84.90	6.82
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	10.9686	414.12	121.55	115.95	2.80	237.51	5.74
6	YTPS	10.9686	604.22	232.43	176.43	2.92	408.86	6.77
	TOTAL KPCL THERMAL		1880.57	584.66	541.08	2.88	1125.74	5.99
B	**CGS SOURCES**							
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	12.2178	387.20	28.78	104.93	2.71	133.71	3.45
2	N.T.P.C-RSTP-III (1X500MW)	12.2178	106.66	7.58	28.37	2.66	35.95	3.37
3	NTPC-Talcher (4X500MW)	12.2178	323.40	23.87	57.24	1.77	81.12	2.51
4	Simhadri Unit -1 &2 (2X500MW)	12.2178	154.02	25.99	45.59	2.96	71.58	4.65
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	12.2178	44.76	25.28	14.55	3.25	39.82	8.90
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	12.2178	112.60	8.74	29.95	2.66	38.69	3.44
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	12.2178	152.52	12.10	40.57	2.66	52.67	3.45
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	12.2178	88.82	8.87	21.41	2.41	30.27	3.41
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	12.2178	72.21	23.08	18.41	2.55	41.49	5.75
10	NLC TAMINADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	12.2178	37.80	28.41	11.91	3.15	40.32	10.67
11	MAPS (2X220MW)	12.2178	11.39	0.00	2.93	2.57	2.93	2.57
12	Kaiga Unit 1&2 (2X220MW)	12.2178	98.84	0.00	34.20	3.46	34.20	3.46
13	Kaiga Unit 3 &4 (2X200MW)	12.2178	104.49	0.00	36.15	3.46	36.15	3.46
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	12.2178	172.40	0.00	70.51	4.09	70.51	4.09
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	12.2178	162.20	0.00	66.34	4.09	66.34	4.09

Sl no	NAME OF THE GENERATING STATION	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount In Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
16	DVC-Unit-1 &2 Meja TPS (2x500MW)	12.2178	49.75	24.90	14.63	2.94	39.53	7.95
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	12.2178	174.89	35.91	47.05	2.69	82.96	4.74
18	Kudgi	12.2178	278.17	182.05	98.75	3.55	280.80	10.09
19	New NLC thermal Project	12.2178	56.52	11.40	12.38	2.19	23.78	4.21
	TOTAL CGS Energy @ KPTCL periphery	12.2178	2588.64	446.95	755.86	2.92	1202.82	4.65
C	**MAJOR IPPS**							
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	12.2178	228.56	133.35	97.82	4.28	231.18	10.11
D	**KPCL HYDEL STATIONS**							
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	12.2178	598.47	0.00	37.10	0.62	37.10	0.62
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	12.2178	44.63	0.00	6.74	1.51	6.74	1.51
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	12.2178	63.76	0.00	12.50	1.96	12.50	1.96
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	12.2178	373.17	0.00	35.45	0.95	35.45	0.95
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	12.2178	123.24	0.00	22.31	1.81	22.31	1.81
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	12.2178	67.89	0.00	14.60	2.15	14.60	2.15
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	12.2178	6.02	0.00	3.55	5.90	3.55	5.90
8	KADRA POWER HOUSE_KPH (3x50)	12.2178	44.91	0.00	11.81	2.63	11.81	2.63
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	12.2178	42.30	0.00	7.70	1.82	7.70	1.82
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	12.2178	8.07	0.00	2.52	3.12	2.52	3.12
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	12.2178	33.64	0.00	4.68	1.39	4.68	1.39
12	MUNIRABAD POWER HOUSE (2x9+1x10)	12.2178	9.76	0.00	1.13	1.16	1.13	1.16
	TOTAL KPCL HYDRO	12.2178	1415.86	0.00	160.08	1.13	160.08	1.13
E	**OTHER HYDRO**							
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	12.2178	23.13	0.00	7.17	3.10	7.17	3.10
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	12.2178	4.66	0.00	0.26	0.55	0.26	0.55
	TOTAL OTHER HYDRO		27.79	0.00	7.43	2.67	7.43	2.67

Sl no	NAME OF THE GENERATING STATION	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
F	**RE SOURCES**							
1	WIND-IPPS		1369.45	0.00	542.30	3.96	542.30	3.96
2	KPCL-WIND (9x0.225+10x0.230)			0.00	0.00	3.91	0.00	3.91
3	MINI HYDEL-IPPS		130.06	0.00	43.57	3.35	43.57	3.35
4	CO-GEN		49.02	0.00	28.58	5.83	28.58	5.83
5	CAPTIVE /wind MOA			0.00	0.00	3.02	0.00	3.02
6	BIOMASS		76.85	0.00	41.42	5.39	41.42	5.39
7	Solar Existing /SRTPV		1048.11	0.00	449.47	4.29	449.47	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YAP ALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)		1.81	0.00	1.09	6.00	1.09	6.00
	TOTAL RE		2675.30	0.00	1106.43	4.12	1106.43	4.12
G	**BUNDLED POWER**							
1	Bundled power Coal	14.863	68.86	0.00	18.80	2.73	18.80	2.73
2	Bundled power Solar(OLD)	14.863	17.91	0.00	18.84	10.52	18.84	10.52
3	Bundled power Solar(NEW)	15.1209	208.79	0.00	100.22	4.80	100.22	4.80
	Total Bundled Power		295.56	0.00	137.86	4.66	137.86	4.66
H	**TOTAL TRANSMISSION & SLDC CHARGES**							
1	KPTCL TRANSMISSION CHARGES			614.026			614.026	
2	PGCIL CHARGES			203.995			203.995	
3	SLDC			3.300			3.300	
4	POSOCO CHARGES			0.530			0.530	
I	**TOTAL INCLUDING TRANSMISSION & SLDC CHARGES**		**9112.272**	**1986.82**	**2806.56**	**3.080**	**4793.386**	**5.2604**

SI no	NAME OF THE GENERATING STATION	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
	GESCOMs APPROVED POWER PURCHASE FOR FY24 (Annexure-2 (ii))			Amount in Crores	Amount In Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
A	**KPCL THERMAL**							
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	12.2071	681.08	134.76	200.24	2.94	335.00	4.92
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	12.2071	134.28	28.55	39.34	2.93	67.90	5.06
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	12.2071	146.49	43.38	43.65	2.98	87.03	5.94
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	12.2071	159.78	54.12	46.98	2.94	101.09	6.33
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	12.2071	427.25	106.07	122.19	2.86	228.27	5.34
7	YTPS	12.2071	761.69	292.97	226.98	2.98	519.95	6.83
	TOTAL KPCL THERMAL		2310.56	659.86	679.39	2.94	1339.24	5.80
B	**CGS SOURCES**							
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	12.2071	386.86	28.75	106.94	2.76	135.69	3.51
2	N.T.P.C-RSTP-III (1X500MW)	12.2071	106.57	7.57	28.91	2.71	36.48	3.42
3	NTPC-Talcher (4X500MW)	12.2071	323.12	23.85	58.34	1.81	82.19	2.54
4	Simhadri Unit -1 &2 (2X500MW)	12.2071	153.89	25.96	46.46	3.02	72.42	4.71
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	12.2071	44.72	25.26	14.82	3.32	40.08	8.96
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	12.2071	112.50	8.73	30.52	2.71	39.26	3.49
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	12.2071	152.38	12.09	41.34	2.71	53.43	3.51
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	12.2071	88.74	8.86	21.82	2.46	30.68	3.46
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	12.2071	72.15	23.06	18.77	2.60	41.82	5.80
10	NLC TAMINADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	12.2071	37.77	28.39	12.13	3.21	40.52	10.73
11	MAPS (2X220MW)	12.2071	11.38	0.00	2.98	2.62	2.98	2.62
12	Kaiga Unit 1&2 (2X220MW)	12.2071	98.76	0.00	34.85	3.53	34.85	3.53
13	Kaiga Unit 3 &4 (2X200MW)	12.2071	104.40	0.00	36.84	3.53	36.84	3.53
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	12.2071	172.25	0.00	71.86	4.17	71.86	4.17
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	12.2071	162.06	0.00	67.61	4.17	67.61	4.17
16	DVC-Unit-1 &2 Meja TPS (2x500MW)	12.2071	49.70	24.88	14.90	3.00	39.79	8.01
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	12.2071	174.74	35.88	47.94	2.74	83.82	4.80

Sl no	NAME OF THE GENERATING STATION	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
18	Kudgi	12.2071	277.93	194.10	100.64	3.62	294.74	10.60
19	New NLC thermal Project	12.2071	56.47	11.39	12.61	2.23	24.00	4.25
	TOTAL CGS Energy @ KPTCL periphery	12.2071	2586.38	458.77	770.31	2.98	1229.07	4.75
C	**MAJOR IPPS**							
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	9.5845	191.69	104.61	83.77	4.37	188.38	9.83
D	**KPCL HYDEL STATIONS**							
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	11.9621	585.94	0.00	37.05	0.63	37.05	0.63
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	11.2071	40.94	0.00	6.31	1.54	6.31	1.54
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	11.2071	58.48	0.00	11.69	2.00	11.69	2.00
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	11.2071	342.30	0.00	33.17	0.97	33.17	0.97
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	11.2071	113.05	0.00	20.87	1.85	20.87	1.85
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	11.2071	62.28	0.00	13.66	2.19	13.66	2.19
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	11.2071	5.53	0.00	3.33	6.02	3.33	6.02
8	KADRA POWER HOUSE_KPH (3x50)	11.2071	41.20	0.00	11.05	2.68	11.05	2.68
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	11.2071	38.80	0.00	7.20	1.86	7.20	1.86
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	11.2071	7.40	0.00	2.35	3.18	2.35	3.18
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	11.2071	30.86	0.00	4.37	1.42	4.37	1.42
12	MUNIRABAD POWER HOUSE (2x9+1x10)	11.2071	8.95	0.00	1.06	1.18	1.06	1.18
	TOTAL KPCL HYDRO	11.2071	1335.72	0.00	152.12	1.13	152.12	1.13
E	**OTHER HYDRO**							
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	11.2071	21.21	0.00	6.73	3.17	6.73	3.17
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	11.2071	4.28	0.00	0.24	0.56	0.24	0.56
	TOTAL OTHER HYDRO		25.49	0.00	6.96	2.73	6.96	2.73
F	**RE SOURCES**							
1	WIND-IPPS		1369.45	0.00	542.30	3.96	542.30	3.96
2	KPCL-WIND (9x0.225+10x0.230)			0.00	0.00	3.91	0.00	3.91
3	MINI HYDEL-IPPS		130.06	0.00	43.57	3.35	43.57	3.35
4	CO-GEN		49.02	0.00	28.58	5.83	28.58	5.83

Sl no	NAME OF THE GENERATING STATION	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
5	CAPTIVE /wind MOA			0.00	0.00	3.02	0.00	3.02
6	BIOMASS		76.85	0.00	41.42	5.39	41.42	5.39
7	Solar Existing /SRTPV		1076.258	0.00	461.53	4.29	461.53	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YAPALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)		1.81	0.00	1.09	6.00	1.09	6.00
	TOTAL RE		2703.45	0.00	1118.49	4.12	1118.49	4.12
G	**BUNDLED POWER**							
1	Bundled power Coal	14.863	68.86	0.00	18.80	2.73	18.80	2.73
2	Bundled power Solar(OLD)	14.863	17.91	0.00	18.84	10.52	18.84	10.52
3	Bundled power Solar(NEW)	15.1209	208.79	0.00	100.22	4.80	100.22	4.80
	Total Bundled Power		295.56	0.00	137.86	4.66	137.86	4.66
H	**TOTAL TRANSMISSION & SLDC CHARGES**							
1	KPTCL TRANSMISSION CHARGES			647.325			647.325	
2	PGCIL CHARGES			147.731			147.731	
3	SLDC			3.827			3.827	
4	POSOCO CHARGES			0.530			0.530	
I	**TOTAL INCLUDING TRANSMISSION & SLDC CHARGES**		**9448.854**	**2022.65**	**2948.89**	**3.12**	**4971.538**	**5.262**

GESCOMs APPROVED POWER PURCHASE FOR FY25								(Annexure-2 (iii)
Sl no	NAME OF THE GENERATING STATION	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit In Rs	Amount in Crores	Cost/Unit In Rs
A	KPCL THERMAL							
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	10.0146	590.86	113.82	177.26	3.00	291.08	4.93
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	10.0146	110.16	23.30	32.94	2.99	56.23	5.10
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	10.0146	130.19	36.13	39.58	3.04	75.70	5.81
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	10.0146	140.20	45.82	42.06	3.00	87.88	6.27
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	10.0146	378.10	82.77	110.03	2.91	192.80	5.10
6	YTPS	10.0146	617.87	240.35	187.83	3.04	428.18	6.93
	TOTAL KPCL THERMAL		1967.38	542.18	589.69	3.00	1131.88	5.75
B	CGS SOURCES							
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	12.1900	386.32	28.71	108.92	2.82	137.63	3.56
2	N.T.P.C-RSTP-III (1X500MW)	12.1900	106.42	7.56	29.45	2.77	37.01	3.48
3	NTPC-Talcher (4X500MW)	12.1900	322.67	23.82	59.42	1.84	83.24	2.58
4	Simhadri Unit -1 &2 (2X500MW)	12.1900	153.67	25.93	47.32	3.08	73.25	4.77
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	12.1900	44.66	25.22	15.10	3.38	40.32	9.03
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	12.1900	112.34	8.72	31.09	2.77	39.81	3.54
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	12.1900	152.17	12.07	42.11	2.77	54.19	3.56
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	12.1900	88.62	8.85	22.22	2.51	31.07	3.51
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	12.1900	72.05	23.03	19.11	2.65	42.14	5.85
10	NLC TAMINADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	12.1900	37.71	28.35	12.36	3.28	40.71	10.79
11	MAPS (2X220MW)	12.1900	11.36	0.00	3.04	2.67	3.04	2.67
12	Kaiga Unit 1&2 (2X220MW)	12.1900	98.62	0.00	35.50	3.60	35.50	3.60
13	Kaiga Unit 3 &4 (2X200MW)	12.1900	104.25	0.00	37.53	3.60	37.53	3.60
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	12.1900	172.01	0.00	73.19	4.26	73.19	4.26
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	12.1900	161.84	0.00	68.86	4.26	68.86	4.26

Sl no	NAME OF THE GENERATING STATION	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
16	DVC-Unit-1 &2 Meja TPS (2x500MW)	12.1900	49.63	24.85	15.18	3.06	40.03	8.07
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	12.1900	174.49	35.83	48.83	2.80	84.66	4.85
18	Kudgi	12.1900	277.53	193.83	102.50	3.69	296.33	10.68
19	New NLC thermal Project	12.1900	56.39	11.37	12.85	2.28	24.22	4.30
	TOTAL CGS Energy @ KPTCL periphery		2582.75	458.13	784.61	3.04	1242.73	4.81
C	**MAJOR IPPS**							
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	12.1900	426.65	133.05	190.17	4.46	323.23	7.58
D	**KPCL HYDEL STATIONS**							
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	15.5804	763.18	0.00	49.23	0.65	49.23	0.65
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	15.5804	56.92	0.00	8.94	1.57	8.94	1.57
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	15.5804	81.30	0.00	16.58	2.04	16.58	2.04
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	15.5804	475.88	0.00	47.04	0.99	47.04	0.99
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	15.5804	157.16	0.00	29.60	1.88	29.60	1.88
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	15.5804	86.58	0.00	19.37	2.24	19.37	2.24
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	15.5804	7.68	0.00	4.71	6.14	4.71	6.14
8	KADRA POWER HOUSE_KPH (3x50)	15.5804	57.27	0.00	15.67	2.74	15.67	2.74
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	15.5804	53.94	0.00	10.21	1.89	10.21	1.89
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	15.5804	10.29	0.00	3.34	3.25	3.34	3.25
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	15.5804	42.90	0.00	6.20	1.45	6.20	1.45
12	MUNIRABAD POWER HOUSE (2x9+1x10)	15.5804	12.45	0.00	1.50	1.21	1.50	1.21
	TOTAL KPCL HYDRO		1805.54	0.00	212.39	1.13	212.39	1.13
E	**OTHER HYDRO**							
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	12.1900	23.08	0.00	7.51	3.25	7.51	3.25
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	12.1900	4.65	0.00	0.27	0.58	0.27	0.58
	TOTAL OTHER HYDRO		27.73	0.00	7.78	2.80	7.78	2.80

Sl no	NAME OF THE GENERATING STATION	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
F	**RE SOURCES**							
1	WIND-IPPS		1369.45	0.00	542.30	3.96	542.30	3.96
2	KPCL-WIND (9x0.225+10x0.230)			0.00	0.00	3.91	0.00	3.91
3	MINI HYDEL-IPPS		130.06	0.00	43.57	3.35	43.57	3.35
4	CO-GEN		49.02	0.00	28.58	5.83	28.58	5.83
5	CAPTIVE /wind MOA			0.00	0.00	3.02	0.00	3.02
6	BIOMASS		76.85	0.00	41.42	5.39	41.42	5.39
7	Solar Existing /SRTPV		1076.258	0.00	461.48	4.29	461.48	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YAPALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)		1.81	0.00	1.09	6.00	1.09	6.00
	TOTAL RE		2703.45	0.00	1118.44	4.12	1118.44	4.12
G	**BUNDLED POWER**							
1	Bundled power Coal	14.863	68.86	0.00	18.80	2.73	18.80	2.73
2	Bundled power Solar(OLD)	14.863	17.91	0.00	18.84	10.52	18.84	10.52
3	Bundled power Solar(NEW)	15.1209	208.79	0.00	100.22	4.80	100.22	4.80
	Total Bundled Power		295.56	0.00	137.86	4.66	137.86	4.66
H	**TOTAL TRANSMISSION &SLDC CHARGES**							
1	KPTCL TRANSMISSION CHARGES			686.991			686.991	
2	PGCIL CHARGES			297.024			297.024	
3	SLDC			4.098			4.098	
4	POSOCO CHARGES			0.530			0.530	
I	**TOTAL INCLUDING TRANSMISSION & SLDC CHARGES**		**9809.058**	**2122.00**	**3040.94**	**3.10**	**5162.947**	**5.263**

Annexure-3

PROPOSED AND APPROVED REVENUE AND REALISATION AND LEVEL OF CROSS SUBSIDY FOR FY-23 OF GESCOM

								With ref. to ACS	With ref. to voltage wise COS*	
Sl No	Category	Description	Proposed by GESCOM Sales-MU	Proposed by GESCOM Revenue Rs. crores	Approved as per RST Sales-MU	Approved as per RST Revenue Rs. crores	Average Realisation in Rs. Per Kwh	Level of Cross Subsidy in %	Level of Cross Subsidy in % (LT&HT)	Level of Cross Subsidy in % (EHT)
1	LT-1[fully subsidised by GoK]*	Bhagya Jyothi/Kutir Jyothi < 40 Units	256.61	222.99	249.77	202.56	8.11	0.00%	-1.70%	
2	LT-1	Bhagya Jyothi/Kutir Jyothi > 40 Units			6.32	3.79	6.00	-26.07%	-27.31%	
3	LT-2(a)(i)	Dom. / AEH - Applicable to City Municipal Corporations areas and all area under Urban Local Bodies.	1023.62	956.96	1021.93	816.69	7.99	-1.48%	-3.13%	
4	LT-2(a)(ii)	Dom. / AEH - Applicable to areas under Village Panchayats	372.1	374.59	340.64	310.96	9.13	12.53%	10.65%	
5	LT-2(b)(i)	Pvt. Educational Institutions Applicable to all areas of Local Bodies including City Corporations	8.80	7.02	14.46	12.37	8.55	5.44%	3.68%	
6	LT-2(b)(ii)	Pvt. Educational Institutions Applicable to areas under Village Panchayats	1.63	1.72	2.55	2.19	8.59	5.85%	4.08%	
7	LT-3(i)	Commercial - Applicable in areas under all ULBs including City Corporations.	267.41	306.58	273.87	365.33	13.34	64.44%	61.69%	
8	LT-3(ii)	Commercial - Applicable to areas under Village Panchayats	94.40	108.26	117.37	124.00	10.56	30.23%	28.05%	
9	LT-4(a)*	IP<=10HP	3210.81	2956.41	3173.13	2103.79	6.63	-18.27%	-19.64%	
10	LT-4(b)	IP>10HP	3.35	2.21	3.38	4.14	12.25	51.01%	48.48%	
11	LT-4 ©	Pvt. Nurseries, Coffee & Tea Plantations	1.98	2.06	1.98	1.15	5.79	-28.68%	-29.87%	
12	LT-5(a)	LT Industrial	131.74	203.48	100.48	116.31	11.57	42.69%	40.30%	
13	LT-5 (b)	LT Industrial	63.98	106.85	85.59	95.45	11.15	37.48%	35.18%	
14	LT-6	Water supply	493.13	449.36	503.92	277.69	5.51	-32.07%	-33.20%	
15	LT-6	Public lighting	244.76	246.86	301.12	220.05	7.31	-9.92%	-11.42%	
16	LT-7(a)	Temporary supply	27.38	30.39	27.38	42.60	15.56	91.77%	88.56%	
17	LT-7(b)	Permanent Supply to Adversiting & Holding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		LT - TOTAL	**6201.70**	**5975.76**	**6223.90**	**4699.04**	**7.55**	**-6.93%**	**-8.48%**	
1	HT-1	Water supply & sewerage	138.65	131.96	138.65	91.80	6.62	-18.38%	-14.02%	-11.01%
2	HT-2(a)	Industrial -	1113.35	1174.76	1089.69	1,091.86	10.02	23.52%	30.13%	34.68%
3	HT-2(b)	Commercial	65.71	98.26	80.82	100.23	12.40	52.87%	61.05%	66.68%
4	HT-2 (c) (i)	Govt./ Aided Hospitals & Educational Institutions	36.52	34.79	20.45	23.34	11.41	40.70%	48.22%	53.40%
5	HT-2 (c) (ii)	Hospitals and Educational Institutions other than covered under HT-2(c) (i)	0.00	0.00	16.07	16.00	9.95	22.70%	29.26%	33.78%
6	HT-3(a)(i)	Lift Irrigation - Applicable to lift irrigation schemes under Govt Dept. / Govt. owned Corporations	104.96	53.53	68.79	21.67	3.15	-61.17%	-59.09%	-57.66%
7	HT-3(a)(ii)	Lift Irrigation - Applicable to Private lift irrigation schemes Lift Irrigaton societies on urban/express feeders	13.20	16.30	31.55	17.41	5.52	-31.98%	-28.34%	-25.84%
8	HT-3(a)(iii)	LI schemes other than those covered under HT 3(a)(ii)	0.00	0.00	13.36	4.78	3.57	-55.94%	-53.58%	-51.96%
9	HT - 3b	Irrigation & Agriculture Farms,Govt. Horticultural Farms, Pvt.Horticulture Nurseries, Coffee, Tea,Cocanut & Arecanut Plantations	0.00	0.00	3.52	1.81	5.15	-36.51%	-33.12%	-30.78%
10	HT-4	Residential Apartments -Colonies	17.50	24.84	16.53	12.75	7.71	-4.94%	0.15%	3.65%
11	HT-5	Temporary supply	18.57	51.98	18.57	24.04	12.95	59.61%	68.15%	74.02%
		HT - TOTAL	**1508.46**	**1586.42**	**1498.00**	**1405.68**	**9.38**	**15.68%**	**21.87%**	**26.12%**
		TOTAL	**7710.16**	**7562.18**	**7721.90**	**6104.72**	**7.91**			
		HT Special Discounted Energy rate			200.00	120.00				
		Misc. Revenue		208.90		201.74				
		Grand Total	**7710.16**	**7771.08**	**7921.91**	**6426.46**	**8.11**			

* These categories are subsidised by GoK. In case subsidy is not released by the Gok in advance, GESCOM shall raise demand & collect CDT of **Rs.8.11/unit** by BJ/KJ &**Rs.6.63/unit** from IP set Consumers.

* Voltage wise cost of supply per unit to: LT Rs: **8.25**, HT Rs.7.70 & EHT- Rs.7.44

Annexure- 4

Karnataka Electricity Regulatory Commission, Bangalore.		
Calculations for surcharge payable by Open Access Customers -FY23		
Energy Input for FY23-MU		71645.88
Power Purchase Cost(PPC) including RE sources and excluding KPTCL Transmission/SLDC charges -Rs. Crs.		34106.12
PPC Paise/ unit(Sl.No2/Sl.No.1*1000)		476.04
	Details of surcharge at 66 kV level- paise/unit	**Details of surcharge at 33 kV/11 kV level- paise/unit**
Power purchase cost /unit (=Sl.No.3)	476.04	476.04
Transmission loss % including Comml. Losses	2.92	2.92
PPC after accounting for transmission loss (Sl.No.4/(1-Sl.no.5/100)	490.36	490.36
ESCOM's Loss at 33 kV/11kv level % including commercial losses	0.00	3.49
Power purchase cost after accounting for 33 kV/11kV loss(Sl.No.6/(1-Sl.no.7/100)	490.36	508.12
Overall Transmission charge per unit including carrying cost of Regulatory asset	82.56	82.56
ESCOM's Average Wheeling charge at 33 kv/11 kVlevel	0.00	34.47
Add carrying cost of Regulatory asset/unit	0.00	0.00
Add cost of REC to meet RPO/unit	0.00	0.00
Overall Cost of supply (Sl.nos.8+9+10+11+12)	572.92	625.14

Paise/unit

	1	2	4	5	6	7	8	9	10	11	12	13	14
HT Category	HT-1	HT-2a(i)	HT-2a(ii)/ HT2a	HT-2b(i)	HT-2b(ii)/HT 2(b)	HT-2c(i)	HT-2c(ii)	HT-3a(i)	HT-3a(ii)	HT-3a(iii)	HT-3b	HT-4	HT-5
Average Tariff- [Based on Annexure-3 of all ESCOMs]	633.29	1039.67	973.43	1372.68	1296.50	963.15	1077.20	315.00	522.86	372.36	515.51	823.31	2463.70
Cross subsidy at 66 kv & above [Sl.No.14-553.71]	60.37	466.75	400.51	799.76	723.58	390.23	504.28	-257.92	-50.06	-200.56	-57.41	250.39	1890.78
Cross subsidy at HT level [Sl.No.14-607.21]	8.15	414.52	348.29	747.54	671.36	338.01	452.06	-310.14	-102.28	-252.78	-109.63	198.17	1838.56
20% of Tariff [20% of Sl. No.14]	126.66	207.93	194.69	274.54	259.30	192.63	215.44	63.00	104.57	74.47	103.10	164.66	492.74
Applicable Cross subsidy at 66 kv & above [lower of Sl.No.15 & Sl.No.17]	60	208	195	275	259	193	215	-258	-50	-201	-57	165	493
ApplicableCross subsidy at HT level [lower of Sl.No.16 & Sl.No.17]	8	208	195	275	259	193	215	-310	-102	-253	-110	165	493

ANNEXURE-5

ELECTRICITY TARIFF - 2023

K.E.R.C. ORDER DATED: 4th April, 2022

Effective for the Electricity consumed from the first meter reading date falling on or after 01.04. 2022

Gulbarga
Electricity Supply Company Ltd.,

ELECTRICITY TARIFF-2023

GENERAL TERMS AND CONDITIONS OF TARIFF:

(APPLICABLE TO BOTH HT AND LT)

1. Supply of power is subject to execution of agreement by the Consumer in the prescribed form, payment of prescribed deposits and compliance of terms and conditions as stipulated in the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka and Regulations issued under the Electricity Act, 2003, at the time of supply and continuation of power supply is subject to compliance of the said Conditions of Supply / Regulations as amended from time to time.

2. The tariffs are applicable to only single point of supply unless otherwise approved by the Licensee.

3. The Licensee does not bind himself to energize any installation, unless the Consumer guarantees the minimum charges. The minimum charge is the power supply charges in accordance with the tariff in force from time to time. This shall be payable by the Consumer until power supply agreement is terminated, irrespective of the installation being in service or under disconnection.

4. The tariffs in the schedule are applicable to supply of power within the area of operation of the licensee.

5. The tariffs are subject to levy of Tax and Surcharges thereon as may be decided by the State Government from time to time.

6. For the purpose of these tariffs, the following conversion table would be used: 1 HP=0.746 KW. 1HP=0.878 KVA.

7. The bill amount will be rounded off to the nearest Rupee, i.e., the bill amount of 50 Paise and above will be rounded off to the next higher Rupee and the amount less than 50 Paise will be ignored.

8. Use of power for temporary illumination in the premises already having permanent power supply for marriages, exhibitions in hotels, sales promotions etc., is limited to sanctioned load at the applicable permanent power supply tariff rates. Temporary tariff rates will be applicable in case the load exceeds sanctioned load as per the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

9. LT power supply will be given where the requisitioned load is **less than 150 kw / 201 HP.** The applicant is however at liberty to avail HT supply for lesser loads. The minimum contract demand for HT supply shall be 25 KVA or as amended from time to time by the Licensee with the approval of KERC.

10. The Consumer shall not resell electricity purchased from the Licensee to a third party except -
    (a) Where the Consumer holds a sanction or a tariff provision for distribution and sale of energy,

    (b) Under special contract permitting the Consumer for resale of energy in accordance with the provisions of the contract.

11. Non-receipt of the bill by the Consumer is not a valid reason for non-payment. The Consumer shall notify the licenses office which issues the bill, if the same is not received within 7 days from the meter reading date. Otherwise, it will be deemed that the bills have reached the Consumer in due time.

12. The Licensee will levy the following charges for non-realization of each Cheque.

Clorp

1	Cheque amount upto Rs. 10,000	5% of the amount subject to a minimum of Rs.100
2	Cheque amount of Rs. 10,001 and upto Rs. 1,00,000	3% of the amount subject to a minimum of Rs.500
3	Cheque amount above Rs. 1 Lakh:	2% of the amount subject to a minimum of Rs.3000

13. In respect of power supply charges paid by the Consumer through money order, Cheque /DD sent by post, receipt will be drawn and the Consumer has to collect the same.

14. In case of any belated payment, simple interest at the rate of 1 % per month will be levied on the actual number of days of delay subject to a minimum of Re.1 for LT installation and Rs.100 for HT installation. No interest is however levied for arrears of Rs.10 and less.

15. All LT Consumers, except BhagyaJyothi and KutirJyothi Consumers, shall provide current limiter/Circuit Breakers of capacity prescribed by the Licensee depending upon the sanctioned load.

16. All payments made by the Consumer will be adjusted in the following order of priority: -
    (a) Interest on arrears of Electricity Tax
    (b) Arrears of Electricity Tax
    (c) Arrears of Interest on Electricity charges
    (d) Arrears of Electricity charges
    (e) Current month's dues

17. For the purpose of billing,
    (i) the higher of the rated load or sanctioned load in respect of LT installations which are not provided with Electronic Tri-Vector meter.
    (ii) sanctioned load or MD recorded, whichever is higher, in respect of installations provided with static meters or Electronic Tri-Vector meter will be considered.

    Penalty and other clauses shall apply if the sanctioned load is exceeded.

18. The bill amount shall be paid within 15 days from the date of presentation of the bill failing which the interest becomes payable.

19. For individual installations, more than one meter shall not be provided under the same tariff. Wherever two or more meters are existing for individual installation, the sum of the consumption recorded by the meters shall be taken for billing, till they are merged.

20. In case of multiple connections in a building, all the meters shall be provided at one easily accessible place in the ground floor.

21. **Reconnection charges:** The following reconnection charges shall be levied in case of disconnection and included in the monthly bill.

For reconnection of:

a	Single Phase Domestic installations under Tariff schedule LT 1 & LT2 (a)	Rs.20 per installation
b	Three Phase Domestic installations under Tariff schedule LT2 (a) and Single Phase Commercial & Power installations.	Rs.50 per installation
c	All LT installations with 3 Phase supply other than LT2 (a)	Rs.100 per installation
d	All HT& EHT installations	Rs.500 per Installation.

22. Revenue payments up to and inclusive of Rs.10, 000 shall be made by cash or cheque or D.D and payments above Rs. 10,000 shall be made by cheque or D.D only. Payments under other heads of account shall be made by cash or D.D or bankers cheque up to and inclusive of Rs. 10,000 and payment above Rs. 10,000 shall be by D.D or Bankers Cheque.

Note: The Consumers can avail the facility of payment of monthly power supply bill through Electronic clearing system (ECS)/ Debit / Credit cards / **RTGS/ NEFT/ Net Banking through ESCOMs / Bank/ Karnataka one website, on-line E-Payment / Digital mode of payments in line with the guidelines issued by the RBI, wherever such facility is provided by the Licensee in respect of revenue payments up to the limit prescribed by the RBI.**

23. For the types of installations not covered under any Tariff schedules, the Licensee is permitted to classify such installations under appropriate Tariff schedule under intimation to the K.E.R.C and approval there on.

24. Seasonal Industries

Applicable to all Seasonal Industries

i) The industries that intend to avail this benefit shall have Electronic Tri- Vector Meter fitted to their installations.

ii) 'Working season' months and 'off-season' months shall be determined by an order issued by the Executive Engineer of the concerned O&M Division of the Licensee as per the request of the Consumer and will continue from year to year unless otherwise altered. The Consumer shall give a clear one month's notice in case he intends to change his 'working season'.

iii) <u>The consumption during any month of the declared off-season shall not be more than 25% of the average consumption of the previous working season.</u>

iv) The 'Working season' months and 'off-season' months shall be full–calendar months. If the power availed during a month exceeds the allotment for the 'off-season' month, it shall be taken for calculating the billing demand as if the month is the 'working season' month.

v) The Consumer can avail the facility of 'off-season' up to six months in a calendar year not exceeding in two spells in that year. During the 'off-season period, the Consumer may use power for administrative offices etc., and for overhauling and repairing plant and machinery.

25 Whether an institution availing Power supply can be considered as charitable or not will be decided by the Licensee on the production of certificate Form-12 A from the Income Tax department.

26 **Time of the Tariff (ToD)**

The Commission as decides in the earlier tariff order, decide to continue compulsory Time of Day Tariff for HT2 (a), HT2 (b) and HT2(c) consumers with a contract demand of 500 KVA and above. Further, the optional ToD would continue as existing earlier for HT2(a), HT2(b) and HT2(c) consumers with contract demand of less than 500 KVA. Also the ToD for HT1 consumers on optional basis would continue as existing earlier. **The ToD tariff for the HT installations using the power for charging the Electric Motor Vehicle in the depots of BMTC / KSRTC/ NEKRTC / NWKRTC on optional basis is also applicable**. Details of ToD tariff are indicated under the respective tariff category. The ToD tariff is not applicable to Railway Traction installations.

The TOD tariff penalty / incentive in all the cases is applicable for the period specified by the Commission in the Tariff Order.

27. SICK INDUSTRIES:

The Government of Karnataka has extended certain reliefs for revival/rehabilitation of sick industries under the New Industrial Policy 2001-06 vide G.O. No. CI 167 SPI 2001, dated 30.06.2001. Further, the Government of Karnataka has issued G.O No.CI2 BIF 2010, dated 21.10.2010. The Commission, in its Tariff Order 2002, has accorded approval for implementation of reliefs to the sick industries as per the Government policy and the same was continued in the subsequent Tariff Orders. In view of issue of the G.O No.CI2 BIF 2010, dated 21.10.2010, the Commission has accorded approval to ESCOMs for implementation of the reliefs extended to sick industrial units for their revival / rehabilitation on the basis of the orders issued by the Commissioner for Industrial Development and Director of Industries & Commerce, Government of Karnataka / National Company Law Tribunal (NCLT).

28. Incentive for Prompt Payment / Advance Payment:

An incentive at the rate of 0.25% of such bill shall be given to the following Consumers by way of adjustment in the subsequent month's bill:

(i) In all cases of payment through Electronic Clearing System (ECS).

(ii) And in the case of monthly bills exceeding Rs.1,00,000 (Rs. One Lakh), if the payment is made 10 days in advance of the due date.

(iii) Advance Payment exceeding Rs.1000 made by the Consumers towards monthly bills

29. Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka and amendments issued thereon from time to time and Regulations issued under the Electricity Act, 2003, will prevail over the extract given in this tariff book in the event of any discrepancy.

30. Self-Reading of Meters:

The Commission has approved Self-Reading of Meters by Consumers and issue of bills by the Licensee based on such readings and the Licensee shall take the reading at least once in six months and reconcile the difference, if any and raise the bills accordingly. This procedure may be implemented by the Licensee as stipulated under Clause 26.01 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

31. **Metering for 400 Voltas, 3 phase supply with requisition load above 50 kw to 150 kw:**

The accuracy class of metering for arranging power supply to consumers at Low Tension for loads between 50 KW to 150 KW shall be the same as prescribed for HT consumers.

The metering arrangement for consumers availing load between 50 KW to 150 KW at low tension shall be strictly arranged using a metering cubicle similar to that of a HT metering arrangement.

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ELECTRICITY TARIFF-2023

PART-I

LOW TENSION SUPPLY

(400 Volts Three Phase and 230Volts Single Phase Supply)

GESCOM

CONDITIONS APPLICABLE TO BILLING OF LT INSTALLATIONS

1. In the case of LT Industrial / Commercial Consumers, **Demand Based Tariff** at the option of the Consumer, can be adopted. The Consumer is permitted to have more connected load than the sanctioned load. The billing demand will be the sanctioned load, or Maximum Demand recorded in the Tri-Vector Meter during the month, whichever is higher. If the Maximum Demand recorded is more than the sanctioned load, penal charges at two times the normal rate shall apply.

2. Use of power within the Consumer premises for bonafide temporary purpose is permitted subject to the conditions that, total load of the installation on the system does not exceed the sanctioned load.

3. Where it is intended to use power supply temporarily, for floor polishing and such other portable equipment, in a premises having permanent power supply, such equipment shall be provided with earth leakage circuit breakers of adequate capacity.

4. The laboratory installations in educational institutions are allowed to install connected machineries up to four times the sanctioned load. The fixed charges shall however be on the basis of sanctioned load.

5. Besides combined lighting and heating, electricity supply under tariff schedules LT2 (a) & LT2 (b), can be used for Fans, Televisions, Radios, Refrigerators and other household appliances, including domestic water pumps and air conditioners, provided, they are under single meter connection. If a separate meter is provided for Air-conditioner load, the Consumer shall be served with a notice to merge this load and to have a single meter for the entire load. Till such time, the air conditioner load will be billed under Commercial Tariff.

6. **Bulk LT supply:**

If power supply for lighting / combined lighting & heating {LT 2(a)}, is availed through a bulk Meter for group of houses belonging to one Consumer, (i.e, where bulk LT supply is availed), the billing for energy shall be done at the slab rate for energy charges matching the consumption obtained by dividing the bulk consumption by number of houses. In addition, fixed charges for the entire sanctioned load shall be charged as per Tariff schedule.

7. A rebate of 25 paise per unit will be given for the House/ School/Hostels meant for Handicapped, Aged, Destitute and Orphans, Rehabilitation Centres under Tariff schedule LT 2(a).

8. **SOLAR REBATE:** A rebate of 50 paise per unit of electricity consumed subject to a maximum of Rs.50 per installation per month will be allowed to Tariff schedule LT 2(a), if solar water heaters are installed and used. Where Bulk Solar Water Heater System is installed, Solar Water Heater rebate shall be allowed to each of the individual installations, provided that, the capacity of Solar Water Heater in such apartment / group housing shall be a minimum capacity of 100 Litre per household.

9. A rebate of 20% on fixed charges and energy charges will be allowed in the monthly bill in respect of public Telephone booths having STD/ISD/ FAX facility run by handicapped persons, under Tariff schedule LT 3.

10. A rebate of 2 paise per unit will be allowed if capacitors are installed as per Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka in respect of all metered IP Set Installations.

11. **Power Factor (PF):**

Capacitors of appropriate capacity shall be installed in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, in the case of installations covered under Tariff category LT 3, LT4, LT 5, & LT 6, where motive power is involved.

(i) The specified P.F. is 0.85. If the PF is found to be less than 0.85 Lag, a surcharge of 2 paise per unit consumed will be levied for every reduction of P.F. by 0.01 below 0.85 Lag. In respect of LT installations, however, this is subject to a maximum surcharge of 30 paise per unit.

(ii) The power factor when computed as the ratio of KWh/KVAh will be determined up to 3 decimals (ignoring figures in the other decimal places) and then rounded off to the nearest second decimal as illustrated below:

(a) 0.8449 to be rounded off to 0.84

(b) 0.8451 to be rounded off to 0.85

(iii) In respect of Electronic Tri-Vector meters, the recorded average PF over the billing period shall be considered for billing purposes.

(iv) During inspection, if the capacity of capacitors provided is found to be less than what is stipulated in Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, a surcharge of 30 Paise/unit will be levied in the case of installations covered under Tariff categories LT 3, LT 5, & LT 6 where motive power is involved.

(v) In the case of installations without electronic Tri-vector meters even after providing capacitors as recommended in Clause 23.01 and 23.03 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, if during any periodical or other testing / rating of the installation by the Licensee, the PF of the installation is found to be lesser than 0.85, a surcharge determined as above shall be levied from the billing month following the expiry of Three months' notice given by the Licensee, till such time, the additional capacitors are installed and informed to the Licensee in writing by the Consumer. This is also applicable for LT installations provided with electronic Tri-vector meters.

12. All new IP set applicants shall fix capacitors of adequate capacity in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka before taking service.

13. All the existing IP set Consumers shall also fix capacitors of adequate capacity in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, failing which, PF surcharge at the rate of Rs.70/-per HP/ year shall be levied. If the capacitors are found to be removed / not installed, a penalty at the same rate as above (Rs.70/-per HP / Year) shall be levied.

14. The Semi-permanent cinemas having Semi-permanent structure, with permanent wiring and licence of not less than one year, will be billed under commercial tariff schedule i.e., LT 3.

15. Touring cinemas having an outfit comprising cinema apparatus and accessories, taken from place to place for exhibition of cinematography films, and also outdoor shooting units, will be billed under Temporary Tariff schedule i.e., LT 7.

16. The Consumers under IP set tariff schedule, shall use the energy only for pumping water to irrigate their own land as stated in the IP set application / water right certificate and for bonafide agriculture use. Otherwise, such installations shall be billed under appropriate Industrial/Commercial tariff, based on the recorded consumption if available, or on the consumption computed as per the Table given under Clause 42.06 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

17. The water pumped for agricultural purposes may also be used by the Consumer for his bonafide drinking purposes and for supplying water to animals, birds, Poultry farms, Dairy farms and fish farms maintained by the Consumer in addition to agriculture.

18. The motor of IP set installations can be used with an alternative drive for other agricultural operations like sugar cane crusher, coffee pulping, Arecanut cutting etc., with the approval of the Licensee. The energy used for such operation, shall be metered separately by providing alternate switch and charged at LT Industrial Tariff (Only Energy charges) during the period of alternative use. However, if the energy used both for IP Set and alternative operation is measured together by one energy meter, the energy used for alternate drive shall be estimated by deducting the average IP Set consumption for that month as per the IP sample meter readings for the sub-division, as certified by the sub-divisional Officer.

19. The IP Consumer is permitted to use energy for lighting the pump house and well, limited to two lighting points of 40 Watts each.

20. Billing shall be made at least once in a quarter year for all IP sets.

21. In the case of welding transformers, the connected load shall be taken as:

a) Half the maximum capacity in KVA as per the nameplate specified under IS: 1851

OR

b) Half the maximum capacity in KVA as recorded during the rating by the Licensee, whichever is higher.

22. Electricity under Tariff LT 3 / LT 5 can also be used for Lighting, Heating and Air-conditioning, Yard-Lighting, water supply in the respective premises of Commercial / Industrial Units.

23. LED fittings shall be provided by the Licensee for the Streetlights in the case of villages covered under the Licensee's electrification programme for initial installation.

In all other cases, the entire cost of fittings including Brackets, Clamps, etc., and labour for replacement, additions and modifications shall be met by the organizations making such a request. Labour charges shall be paid at the standard rates fixed by the Licensee for each type of fitting.

24. Lamps, fittings and replacements for defective components of fittings shall be supplied by the concerned Village Panchayath, Town Panchayath or Municipality for replacement.

25. Fraction of KW / HP shall be rounded off to the nearest quarter KW / HP for purpose of billing and the minimum billing being for 1 KW / 1HP in respect of all categories of LT installations including I.P. sets. In the case of street lighting installations, fraction of KW shall be rounded off to nearest quarter KW for the purpose of billing and the minimum billing shall be quarter KW.

26. Seasonal Industries.

a) The industries which intend to utilize seasonal industry benefit, shall comply with the conditionalities specified under Para number 24 of the General terms and conditions of tariff (applicable to both HT & LT).

b) The industries that intend to avail this benefit, shall have Electronic Tri-Vector Meter fitted to their installation.

c) Monthly charges during the seasonal months shall be fixed charges and energy charges. **The monthly charges during the off seasonal months, shall be the energy charges plus 25% of the applicable fixed charges.**

TARIFF SCHEDULE LT-1

LT-1: Applicable to installations serviced under Bhagya Jyothi and Kutira Jyothi (BJ/KJ) schemes.

RATE SCHEDULE

Energy charges (including recovery towards service main charges)	Nil* Fully subsidized by the GOK

Commission Determined Tariff for the above category i.e., LT-1 is Rs.8.11 per unit.

***Since GOK is meeting the full cost of supply to BJ / KJ, the Tariff payable by these Consumers is shown as Nil. However, if the GOK does not release the subsidy in advance, a Tariff of Rs.8.11 per unit subject to monthly minimum of Rs.70 per Installation per month shall be demanded and collected from these Consumers.**

Note: If the consumption exceeds **40 units per month** or any BJ/KJ installation is found to have more than one outlet, it shall be billed as per Tariff Schedule LT 2(a).

TARIFF SCHEDULE LT-2(a)

Applicable to lighting/combined lighting, heating and motive Power installations of residential houses and also to such houses where a portion is used by the occupant for (a) Handloom weaving (b) Silk rearing and reeling and artisans using motors up to 200 watts (c) Consultancy in - (i) Engineering, (ii) Architecture, (iii) Medicine, (iv) Astrology, (v) Legal matters, (vi) Income Tax, (vii) Chartered Accountants, (d) Job typing, (e) Tailoring, (f) Post Office, (g) Gold smithy, (h) Chawki rearing, (i) Paying guests/Home stay guests, (j) personal computers, (k) Dhobis, (l) Hand operated printing press, (m) Beauty Parlours, (n) Water Supply installations, Lift which is independently serviced for bonafide use of residential complexes/residence, (o) Farm Houses and yard lighting limiting to 120 Watts, (p) Fodder Choppers & Milking Machines with a connected load upto 1 HP.

Also applicable to the installations of (i) Hospitals, Dispensaries, Health Centres run by State/Central Govt. and local bodies; (ii) Houses, schools and Hostels meant for handicapped, aged, destitute and orphans; (iii) Rehabilitation Centres run by charitable institutions, AIDS and drug addicts Rehabilitation Centres; (iv) Railway staff Quarters with single meter (v) fire service stations.

It is also applicable to the installations of (a) Temples, Mosques, Churches, Gurudwaras, Ashrams, Mutts and religious/Charitable institutions; (b) Hospitals, Dispensaries and Health Centres run by Charitable institutions including X-ray units (c) Jails and Prisons (d) Schools, Colleges, Educational institutions run by State/Central Govt.,/Local Bodies; (e) Seminaries; (f) Hostels run by the Government, Educational Institutions, Cultural, Scientific and Charitable Institutions; (g) Guest Houses/Travelers Bungalows run in Government buildings or by State/Central Govt./Religious/Charitable institutions (h) Public libraries; (i) Museums; (j) Installations of Historical Monuments of Archeology Departments(k) Public Telephone Booths without STD/ISD/FAX facility run by handicapped people; (l) Sulabh / Nirmal Souchalayas; (m) Viswa Sheds having Lighting Loads only.

RATE SCHEDULE

LT 2 (a) (i): Applicable to areas coming under City Municipal Corporations and all other urban local bodies

Fixed charges per month	For the first KW	Rs.100 per KW
	For every additional KW up to and inclusive of 50 KW	**Rs.110 per KW**
	For every additional KW above 50 KW	**Rs.175 per KW**
Energy charges	**For 0 - 50 units (Lifeline consumption)**	**410 paise/unit**
	51 to 100 units	**560 paise/unit**
	101 to 200 units	715 paise/unit
	Above 200 units	820 paise/unit

LT-2(a)(ii): Applicable to Areas under Village Panchayats

Fixed charges per month	For the first KW	Rs.85 per KW
	For every additional KW up to and inclusive of 50 KW	**Rs.100 per KW**
	For every additional KW above 50 KW	**Rs.160 per KW**
Energy charges	**For 0 - 50 units (Lifeline consumption)**	**400 paise/unit**
	51 to 100 units	**530 paise/unit**
	101 to 200 units	685 paise/unit
	Above 200 units	770 paise/unit

Note: Temples, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious / Charitable Institution availing the power supply for religious activities under LT supply, shall be categorized and billed under this Tariff schedule. If these institutions use the power for Kalyana Mantapas / Marriage hall, Restaurant or for any other commercial activity, not related to religious activities, such energy consumption shall be billed under LT-3 tariff schedule.

TARIFF SCHEDULE LT-2(b)

Applicable to the installations of Private Professional and other Private Educational Institutions including aided, unaided institutions, Nursing Homes and Private Hospitals having only lighting or combined lighting & heating, and motive power.

RATE SCHEDULE

LT 2 (b) (i): Applicable to City Municipal Corporations and all other urban local bodies

Fixed charges	Rs.120 per KW subject to a minimum of Rs.150 per Month **up to and inclusive of 50 KW**	
	Rs.175 per KW for every additional KW above 50 KW	
Energy charges	0 to 200 units	730 paise/unit
	Above 200 units	855 paise/unit

LT-2(b)(ii): Applicable in Areas under Village Panchayats

Fixed charges	Rs.110 per KW subject to a minimum of Rs.135 per Month **up to and inclusive of 50 KW**	
	Rs.165 per KW for every additional KW above 50 KW	
Energy charges	0 to 200 units	675 paise/unit
	Above 200 units	800 paise/unit

Note: Applicable to LT-2 (a), LT-2 (b) Tariff Schedules.

1 A rebate of 25 paise. Per unit shall be given for installation of a house/ School/ Hostels meant for Handicapped, Aged, Destitute and Orphans, Rehabilitation Centres run by Charitable Institutions.

2 (a) Use of power within the consumer's premises for temporary purposes for bonafide use is permitted subject to the condition that, the total load of the installation on the system does not exceed the sanctioned load.

(b) Where it is intended to use floor polishing and such other portable equipment temporarily, in the premises having permanent supply, such equipment shall be provided with an earth leakage circuit breaker of adequate capacity.

3 The laboratory installations in educational institutions are allowed to install connected machinery up to 4 times the sanctioned load. The fixed charges shall however be on the basis of sanctioned load.

4. Besides lighting and heating, electricity supply under this schedule can be used for fans, Televisions, Radios, Refrigerators and other house-hold appliances including domestic water pump and air conditioners, provided, they are under single meter connection. If a separate meter is provided for Air Conditioner Load, the consumption shall be under commercial tariff till it is merged with the main meter.

5. **SOLAR REBATE:** A rebate of 50 paise per unit of electricity consumed to a maximum of Rs.50 per installation per month will be allowed to Tariff schedule LT 2(a), if solar water heaters are installed and used. Where Bulk Solar Water Heater System is installed, Solar Water Heater rebate shall be allowed to each of the individual installations, provided that, the capacity of Solar Water Heater in such apartment / group housing shall be a minimum capacity of 100 Litre, per household.

TARIFF SCHEDULE LT-3

Applicable to **Commercial Lighting, Heating and Motive Power** installations of Clinics, Diagnostic Centres, X Ray units, Shops, Stores, Hotels/Restaurants/Boarding and Lodging Homes, Bars, Private guest Houses, Mess, Clubs, Kalyan Mantaps / Choultry, permanent Cinemas/ Semi Permanent Cinemas, Theatres, Petrol Bunks, Petrol, Diesel and oil Storage Plants, Service Stations/ Garages, Banks, Telephone Exchanges. T.V. Stations, Microwave Stations, All India Radio, Dish Antenna, Public Telephone Booths/ STD, ISD, FAX Communication Centers, Stud Farms, Race Course, Ice Cream Parlours, Computer Centres, Photo Studio / colour Laboratory, Photo Copiers, Railway Installation excepting Railway workshop, KSRTC Bus Stations excepting Workshop, All offices, Police Stations, Commercial Complexes, Lifts of Commercial Complexes, Battery Charging units, Tyre Vulcanizing Centres, Post Offices, Bakery shops, Beauty Parlours, Stadiums other than those maintained by Govt. and Local Bodies. It is also applicable to water supply pumps and street lights not covered under LT 6, Cyber cafés, Internet surfing cafés, Call centres, BPO/KPO, telecom I.T. based medical transcription centres, Private Hostels not covered under LT -2 (a), Home Stay/Paying guests accommodation provided in an independent / exclusive premises, concrete mixtures (Ready mix Concrete) units.

RATE SCHEDULE

LT-3 (i): Applicable to City Municipal Corporations and all other urban local bodies.

Fixed charges	Rs.125 per KW **up to and inclusive of 50 KW**	
	Rs.230 per KW for every additional KW above 50 KW	
Energy charges	For 0 - 50 units	840 paise/unit
	Above 50 units	940 paise/unit

Demand based tariff (optional) where sanctioned load is **above 5 KW but below 150 KW**	
Fixed charges	Rs.140 per KW **up to and inclusive of 50 KW**
	Rs.245 per KW for every additional KW above 50 KW
Energy charges	For first 50 units: 840 paise/unit For the balance units : 940 paise/unit

RATE SCHEDULE

LT-3 (ii): Applicable in Areas under Village Panchayats

Fixed charges	Rs.115 per KW **up to and inclusive of 50 KW**	
	Rs.220 per KW for every additional KW above 50 KW	
Energy charges	For 0 - 50 units	790 paise/unit
	Above 50 units	890 paise/unit

Demand based tariff (optional) where sanctioned load is above 5 KW but below 150 KW	
Fixed charges	Rs.130 per KW **up to and inclusive of 50 KW**
	Rs.235 per KW for every additional KW above 50 KW
Energy charges	For first 50 units: 790 paise/unit For the balance units : 890 paise/unit

Note: 1. Besides Lighting, Heating and Motive power, Electricity supply under this Tariff can also be used for Yard lighting/ air Conditioning/water supply in the premises.

2. The semi-permanent Cinemas should have semi-Permanent Structure with permanent wiring and license for a duration of not less than one year.

3. Touring Cinemas having an outfit comprising Cinema apparatus and accessories taken from place to place for exhibition of cinematography film and also outdoor shooting units shall be billed under LT- 7 Tariff.

4. A rebate of 20% on fixed charges and energy charges shall be allowed in the monthly bill in respect of telephone Booths having STD / ISD/FAX facility run by handicapped persons.

5. Demand based Tariff at the option of the Consumer can be adopted as per Para 1 of the conditions applicable to LT installations.

TARIFF SCHEDULE LT-4 (a), LT-4 (b) & LT-4(c)

Applicable to (a) Agricultural Pump Sets including Sprinklers (b) Pump sets used in (i) Nurseries of forest and Horticultural Departments; (ii) Grass Farms and Gardens; (iii) Plantations other than Coffee, Tea, Rubber and Private Horticulture Nurseries

TARIFF SCHEDULE LT-4 (a)
Applicable to I.P. Sets up to and inclusive of 10 HP
RATE SCHEDULE

Fixed charges	Free
Energy charges	

Commission Determined Tariff (CDT) for LT4 (a) category is **663 paise per unit.** In case the GOK does not release the subsidy in advance in the manner specified by the Commission in K.E.R.C. (Manner of Payment of subsidy) Regulations, 2008, CDT of **663 paise per unit** shall be demanded and collected from these Consumers.

Note: This Tariff is applicable for Coconut and Areca nut plantations also.

TARIFF SCHEDULE LT-4 (b):

Applicable to IP sets above 10 HP

RATE SCHEDULE

Fixed charges	Rs.110 per HP per month.
Energy charges	390 paise per unit

TARIFF SCHEDULE LT-4 (c):

Applicable to Private Horticultural Nurseries, Coffee, Tea and Rubber plantations

RATE SCHEDULE

Fixed charges	Rs.100 per HP per month.
Energy charges	390 paise per unit

Note:

1) The energy supplied under this tariff shall be used by the consumers only for pumping water to irrigate their own land as stated in the I.P. Set application / water right certificate and for bonafide agriculture use. Otherwise, such installations shall be billed under the appropriate Tariff (LT-3/ LT-5) based on the recorded consumption if available, or on the consumption computed as per the Table given under Clause 42.06 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

2) The motor of IP set installations can be used with an alternative drive for other agricultural operations like sugar cane crusher, coffee pulping, Arecanut cutting etc., with the approval of the Licensee. The energy used for such operation shall be metered separately by providing alternate switch and charged at LT Industrial Tariff (Only Energy charges) during the period of alternative use. If the energy

used both for IP Set and alternative operation, is however measured together by one energy meter, the energy used for alternate drive shall be estimated by deducting the average IP Set consumption for that month as per the IP sample meter readings for the sub-division as certified by the sub-divisional Officer.

3) The Consumer is permitted to use the energy for lighting the pumphouse and well limited to two lighting points of 40 W each.

4) The water pumped for agricultural purposes may also be used by the Consumer for his bonafide drinking purposes and for supplying water to animals, birds, Poultry farms, Dairy farms and fish farms maintained by the Consumer in addition to agriculture.

5) Billing shall be made at least once in a quarter year for all IP sets.

6) A rebate of 2 paise per unit will be allowed if capacitors are installed as per Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka in respect of all metered IP Set Installations.

7) Only fixed charges as in Tariff Schedule for Metered IP Set Installations shall be collected during the disconnection period of IP Sets under LT 4(a), LT 4(b) and LT 4(c) categories irrespective of whether the IP Sets are provided with Meters or not.

TARIFF SCHEDULE LT-5

Applicable to Heating & Motive power (including lighting) installations of industrial Units, Industrial Workshops, Poultry Farms, Sugarcane Crushers, Coffee Pulping, Cardamom drying, Mushroom raising installations, Flour, Huller & Rice Mills, Wet Grinders, Milk dairies, Ironing, Dry Cleaners and Laundries having washing, Drying, Ironing etc., Exclusive Tailoring shop, Bulk Ice Cream and Ice manufacturing Units, Coffee Roasting and Grinding Works, Cold Storage Plants, Bakery Product Mfg. Units, KSRTC workshops/Depots, Railway workshops, Drug manufacturing units and Testing laboratories, Printing Presses, Garment manufacturing units, Bulk Milk vending Booths, Swimming Pools of local Bodies, Tyre retreading units, Stone crushers, Stone cutting, Chilly Grinders, Phova Mills, pulverizing Mills, Decorticators, Iron & Red-Oxide crushing units, crematoriums, hatcheries, Tissue culture, Saw Mills, Toy/wood industries, Viswa Sheds with mixed load sanctioned under Viswa Scheme, Cinematic activities such as Processing, Printing, Developing, Recording theatres, Dubbing Theatres and film studios, Agarbathi manufacturing unit., Water supply installations of KIADB & industrial units, Gem & Diamond cutting Units, Floriculture, Green House, Biotech Labs., Hybrid seed processing units. Information Technology industries engaged in development of hardware & Software, Information Technology (IT) enabled Services/ Start-ups(As defined in GOI notification dated 17.04.2015)/ Animation / Gaming / Computer Graphics as certified by the IT & BT Department of GOK/GOI, Silk rearing, Silk filature units, Aqua Culture, Prawn Culture, Brick manufacturing units, Silk / Cotton colour dying, Stadiums maintained by Govt. and local bodies, Fire service stations, Gold / Silver ornament manufacturing units, Effluent treatment plants and Drainage water treatment plants, independently serviced outside the premises of industries/ building for which the power supply is availed, LPG bottling plants and petroleum pipeline projects, Piggery farms, Analytical Lab. for analysis of ore metals, Satellite communication centre, Mineral water processing plants / drinking water bottling plants , soda fountain units and Solid Waste Processing Plant.

Tariff for LT 5:

Tariff for LT 5 (a):

Applicable to areas under City Municipal Corporations

i) Fixed charges:

Details	Approved by the Commission
Fixed Charges per Month	i) Rs.90 per HP for 5 HP & below ii) Rs.100 per HP for above 5 HP & below 40 HP iii) Rs.125 per HP for 40 HP & above but below 67 HP iv) Rs.190 per HP for 67 HP & **above but below 100 HP** **v) Rs.225 per HP for 100 HP and above**

Demand Based Tariff (optional)

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.120 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.155 per KW of billing demand
	67 HP and above but below 100 HP	Rs.240 per KW of billing demand
	100 HP and above	**Rs.255 per KW of billing demand**

ii) Energy Charges

Details	Approved by the Commission
For the first 500 units	585 paise/unit
For the next 500 units	685 paise/ unit
For the balance units	715 paise/unit

Tariff for LT 5 (b):

Applicable to all areas other than those covered under LT-5(a)

i. Fixed charges

Fixed Charges per Month	i) Rs.80 per HP for 5 HP & below. ii) Rs.95 per HP for above 5 HP & below 40 HP. iii) Rs.120 per HP for 40 HP & above but below 67 HP. iv)Rs.175 per HP for 67 HP & **above but below 100 HP** **v) Rs.210 per HP for 100 HP and above**

ii. Demand Based Tariff (optional)

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.110 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.145 per KW of billing demand
	67 HP and above but below 100 HP	Rs.230 per KW of billing demand
	100 HP and above	**Rs.245 per KW of billing demand**

iii. Energy Charges

0 to 500 units	575 paise/unit
501 to 1000 units	670 paise/unit
Above 1000 units	700 paise/unit

Note:

i. **Rebate of 50 Paise per unit in Energy Charges for the electricity consumed by the Micro and Small Scale Industries as Certified by the Government of Karnataka falling under LT-5 tariff category shall be allowed for a period of one year only.**

ii. **In addition to the concession in the fixed charges, a rebate in the energy charges by Re.1 per unit for the energy consumed during the year shall be allowed to the installations of Ice manufacturing units / cold storage plants used for fisheries purpose, situated in the coastal belt area of Karnataka State within a radius of 5 Kms. from Sea only.**

ToD Tariff applicable to LT-5: At the option of the Consumer

Time of Day	Increase + / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

NOTE:

1. DEMAND BASED TARIFF:

In the case of LT Industrial Consumers, Demand based Tariff at the option of the Consumer can be adopted. The Consumer is permitted to have more connected load than the sanctioned load. The billing demand will be the sanctioned load or Maximum Demand recorded in the Tri-Vector Meter during the month whichever is higher. If the Maximum Demand recorded is more than the sanctioned load, penal charges at two times the normal rate shall apply.

2. Seasonal Industries: The industries which intend to utilize seasonal industry benefit shall comply with the conditionalities under para no. 26 of general terms and conditions applicable to LT.

3. Electricity can also be used for lighting, heating, and air-conditioning in the premises.

4. In the case of welding transformers, the connected load shall be taken as, (a) Half the maximum capacity in KVA as per the name plate specified under-IS1851, or (b) Half the maximum capacity in KVA as recorded during rating by the Licensee, whichever is higher.

TARIFF SCHEDULE LT-6

Applicable to water supply and sewerage pumping installations and also **applicable to water purifying plants maintained by Government and Urban Local Bodies/ Grama Panchayats for supplying pure drinking water to residential areas**, Public Street lights/Park lights of village Panchayat, Town Panchayat, Town Municipalities, City Municipalities / Corporations / State and

Central Govt. / APMC, Traffic signals, Surveillance Cameras at traffic locations belonging to Government Department, subways, water fountains of local bodies. Also applicable to Streetlights of residential Campus of universities, other educational institutions, housing colonies approved by local bodies/development authority, religious institutions, organizations run on charitable basis, industrial area / estate and notified areas, also Applicable to water supply installations in residential Layouts, Street lights along with signal lights and associated load of the gateman hut provided at the Railway level crossing High Mast street lights, Lifts/ Escalators installed in pedestrian road crossing maintained by Government and Urban local bodies/ Grama Panchayats independently serviced **and Electric Vehicles Charging Stations.**

RATE SCHEDULE

Water Supply- LT-6 (a)	
Fixed charges	**Rs.110/HP/month up to 67 HP**
	Rs.215/HP/Month for every additional kw above 67 HP
Energy charges	500 paise/unit
Public lighting- LT-6 (b)	
Fixed charges	Rs.125/KW/month
Energy charges	665 paise/unit
Energy Charges for LED/ Induction Lighting	**560 paise/unit**

LT-6(c)-Electric Vehicle Charging Stations and Battery Swapping Stations (Both LT and HT)

Details	Approved Tariff
LT- (Low Tension) Fixed charges per KW	Rs.70 /KW/month up to 50 KW Rs.170 / KW / Month for every additional KW above 50 KW
HT (High Tension): Demand Charge per KVA	Rs.200 /KVA/month
Energy charges (for both LT & HT)	500 paise/unit

The approved ToD tariff is applicable for the power supply availed under HT supply for charging the Electric Motor Vehicle in the Depots of BMTC / Depots of KSTRC / NEKRTC / NWKRTC only.

ToD Tariff

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	**0**
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	**From July to November (monsoon period) - 0** **From December to June (+) 100 paise per unit**
22.00 Hrs to 06.00 Hrs	**From July to November (monsoon period) - 0** **From December to June (-) 100 paise per unit**

TARIFF SCHEDULE LT-7

Temporary Supply and Permanent Supply to Advertising Hoardings

TARIFF SCHEDULE LT-7(a)

Applicable to Temporary Power Supply for all purposes.

LT 7(a)	Details	Approved Tariff
Temporary Power Supply for all purposes.	**Less than 67 HP:**	Energy charges at 1120 paise / unit subject to a weekly minimum of Rs.275 per KW of the sanctioned load.

TARIFF SCHEDULE LT-7(b)

Applicable to Hoardings & Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the interest of public such as Police Canopy Direction boards, and other sign boards sponsored by Private Advertising Agencies / firms on permanent connection basis.

LT 7(b)	Details	Approved Tariff
Power supply on permanent connection basis	**Less than 67 HP:**	Fixed Charges at Rs.150 per KW/month & Energy charges at 1120 paise / unit

Note:

1. Temporary power supply with or without extension of distribution main shall be **arranged through a pre-paid energy meter** duly observing the provisions of Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

2. This Tariff is also applicable to touring cinemas having license for duration less than one year.

3. All the conditions regarding temporary power supply as stipulated in Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be complied with before service.

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ELECTRICITY TARIFF - 2023

PART-II

HIGH TENSION SUPPLY

Applicable to Bulk Power Supply at Voltages of 11kV (including 2.3/4.6 kV) and above at Standard High Voltage or Extra High Voltages when the Contract Demand is 50 KW / 67 HP and above.

CONDITIONS APPLICABLE TO BILLING OF HT INSTALLATIONS:

1. **Billing Demand**

A) The billing demand during unrestricted period shall be the maximum demand recorded during the month or 85% of the Contract Demand (CD), whichever is higher.

B) When the Licensee has imposed demand cut of 25% or less, the conditions stipulated in (A) shall apply.

C) When the demand cut is in excess of 25%, the billing demand shall be the maximum demand recorded or 85% of the restricted demand, whichever is higher.

D) If at any time the maximum demand recorded exceeds the CD or the demand entitlement, or opted demand entitlement during the period of restrictions, if any, the Consumer shall pay for the quantum of excess demand at two times the normal rate per KVA per month as deterrent charges as per Section 126(6) of the Electricity Act, 2003. For over-drawal during the billing period, the penalty shall be two times the normal rate.

E) During the periods of disconnection, the billing demand shall be 85% of CD, or 85% of the demand entitlement that would have been applicable, had the installation been in service, whichever is less. This provision is applicable only, if the installation is under disconnection for the entire billing month.

F) During the period of energy cut, the Consumer may get his demand entitlement lowered, but not below the percentage of energy entitlement, (For example, In case the energy entitlement is 40% and the demand entitlement is 80%, the re-fixation of demand entitlement cannot be lower than 40% of the CD). The benefit of lower demand entitlement will be given effect to from the meter reading date of the same month, if the option is exercised on or before 15th of the month. If the option is exercised on or after 16th of the month, the benefit will be given effect to from the next meter reading date. The Consumer shall register such option by paying a processing fee of Rs.100 at the Jurisdictional sub-division office.

(i) The billing demand in such cases, shall be the "Revised (Opted) Demand Entitlement" or, the recorded demand, whichever is higher. Such option for reduction of demand entitlement, is allowed only once during the entire span of that particular "Energy Cut Period". The Consumer, can however opt for a higher demand entitlement up to the level permissible under the demand cut notification, and the benefit will be given effect to from the next meter reading date. Once the Consumer opts for enhancement of demand, which has been reduced under Clause (F) above, no further revision is permitted during that particular energy cut period.

(ii) The opted reduced demand entitlement will automatically cease to be effective, when the energy cut is revised. The facility for reduction and enhancement can however be exercised afresh by the Consumer as indicated in the previous paras.

G) For the purpose of billing, the billing demand of 0.5 KVA and above will be rounded off to the next higher KVA, and billing demand of less than 0.5 KVA shall be ignored.

2. **Power factor (PF)**

It shall be the responsibility of the HT Consumer to determine the capacity of PF correction apparatus and maintain an average PF of not less than 0.90.

(i) The specified P.F. is 0.90. If the power factor goes below 0.90 Lag, a surcharge of 3 Paise per unit consumed will be levied for every reduction of P.F. by 0.01 below 0.90 Lag.

(ii) The power factor when computed as the ratio of KWh / KVAh will be determined upto 3 decimals (ignoring figures in the other decimal places), and then rounded off to the nearest second decimal as illustrated below:

(a) 0.8949 to be rounded off to 0.89

(b) 0.8951 to be rounded off to 0.90

In respect of Electronic Tri-Vector meters, the recorded average PF over the billing period shall be considered for billing purposes. If the same is not available, the ratio of KWh to KVAh consumed in the billing month shall be considered.

3. **Rebate for supply at high voltage:**

If the Consumer is availing power at voltage higher than 13.2 KV, he will be entitled to a rebate as indicated below:

Supply Voltage: Rebate

A) 33/66 KV 2 Paise/unit of energy consumed

B) 110 KV 3 Paise/unit of energy consumed

C) 220 KV 5 Paise/unit of energy consumed

The above rebate will be allowed in respect of all the installations of the above voltage class, including the existing installations, and also for installations converted from 13.2 KV and below to 33 KV and above and also for installations converted from 33/66 KV to 110/220 KV, from the next meter reading date after conversion / service / date of notification of this Tariff order, as the case may be. The above rebate is applicable only on the normal energy consumed by the Consumer, including the consumption under TOD Tariff, and is not applicable on any other energy allotted and consumed, if any, viz.,

i) Wheeled Energy.

ii) Any energy, including the special energy allotted over and above normal entitlement.

iii) Energy drawal under special incentive scheme, if any.

The above rebate is not applicable for Railway Traction.

4. In respect of Residential Quarters/ Colonies availing Bulk power supply by tapping the main HT supply, the energy consumed by such Colony loads, metered at single point, shall be billed under HT-4 tariff schedule. No reduction in demand recorded in the main HT meter will be allowed.

5. Energy supplied may be utilized for all purposes associated with the working of the installations, such as, Office, Stores, Canteens, Yard Lighting, Water Supply and Advertisements within the premises.

6. Energy can also be used for construction, modification and expansion purposes within the premises.

7. Power supply under HT-4 tariff schedule may be used for Commercial and other purposes inside the colony, for installations such as Canteen, Club, Shop, Auditorium etc., provided, this load is less than 10% of the CD.

8. In respect of Residential Apartments availing HT Power supply under HT-4 tariff schedule, the supply availed for Commercial and other purposes like Shops, Hotels, etc., will be billed under appropriate tariff schedule, (Only Energy charges) duly deducting such consumption in the main HT supply bill. No reduction in the recorded demand of the main HT meter is allowed. Common areas shall be billed at Tariff applicable to that of the predominant Consumer category.

9. **Seasonal Industries**

   a. The industries, which intend to utilize seasonal industry benefit, shall conform to the conditionalities under Para no. 24 of the General terms and conditions of tariff (applicable to both HT & LT).

b. The industries that intend to avail this benefit, shall have Electronic Tri-Vector Meter fitted to the installation.

c. Monthly charges during the working season shall be the demand charges on 85% of the contract demand or the recorded maximum demand during the month, whichever is higher, plus the energy charges for the energy consumed.

d. **Monthly charges during the off season, shall be demand charges on the maximum demand recorded during the month, or 50% of the Contract Demand whichever is higher plus the energy charges** for the energy consumed.

e. **Monthly charges during off season period to the installation of Ice Manufacturing units / Cold Storage Plants used for fisheries purpose situated in the coastal belt of Karnataka State within the radius of 5 Kms from Sea only, shall be the demand charges on the maximum demand recorded during the month or 85% of the contract demand whichever is higher at 50% of the normal demand charges plus energy charge** for the energy consumed.

f. ***In addition to the concession in the Demand Charges, a rebate in the energy charges by Re.1 per unit for the energy consumed during the year shall be allowed to the installations of Ice manufacturing units / cold storage plants used for fisheries purpose, situated in the coastal belt area of Karnataka State within a radius of 5 Kms. from Sea only.***

10. The reduction of Re.1 per unit in the ToD tariff for the energy consumed between 22.00 Hrs to 06.00 Hrs next day is not applicable to HT consumers who opt for the Special Incentive Scheme.

11. The increase in energy charges under ToD tariff at (+) Re.1 per unit for the energy consumed during evening peak period i.e. between 18.00 Hrs to 22.00 Hrs during December to June period is applicable to all the HT consumers including the consumers opted under special incentive scheme.

12. The ToD tariff approved by the Commission in this Tariff Order is not applicable to the extent of the energy consumed and billed under the new 'Discounted Energy Rate Scheme'. However, ToD tariff shall be applicable up to the base monthly average consumption, as computed by the licensee.

TARIFF SCHEDULE HT 1

Applicable to Water Supply, Drainage / Sewerage water treatment plant and Sewerage Pumping installations, belonging to Karnataka Urban Water Supply and Sewerage Board, other local bodies, State and Central Government.

RATE SCHEDULE

Demand charges	Rs.250/KVA of billing demand/month
Energy charges	560 paise per unit

TOD Tariff at the option of the Consumer

Time of Day	Increase + / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Note: Energy supplied to residential quarters availing bulk supply by the above category of Consumer, shall be metered separately at a single point, and the energy consumed shall be billed at HT-4 Tariff. No reduction in the demand recorded in the main HT meter will be allowed.

TARIFF SCHEDULE HT-2(a)

Applicable to Industries, Factories, Industrial Workshops, Research & Development Centres, Industrial Estates, Milk dairies, Rice Mills, Phova Mills, Roller Flour Mills, News Papers, Printing Press, Railway Workshops/KSRTC Workshops/ Depots, Crematoriums, Cold Storage, Ice & Ice-cream mfg. Units, Swimming Pools of local bodies, Water Supply Installations of KIADB and other industries, all Defence Establishments, Hatcheries, Poultry Farm, Museum, Floriculture, Green House, Bio Technical Laboratory, Hybrid Seeds processing Units, Stone Crushers, Stone cutting, Bakery Product Manufacturing Units, Mysore Palace illumination, Film Studios, Dubbing Theatres, Processing, Printing, Developing and Recording Theaters, Tissue Culture, Aqua Culture, Prawn Culture, Information Technology Industries engaged in development of Hardware & Software, Information Technology (IT) enabled Services / Start-ups(As defined in GOI notification dated 17.04.2015)/ Animation / Gaming / Computer Graphics as certified by the IT & BT Department of GOK/GOI, Drug Mfg. Units, Garment Mfg. Units, Tyre retreading units, Nuclear Power Projects, Stadiums maintained by Government and local bodies, Railway Traction, Effluent treatment plants and Drainage water treatment plants owned other than by the local bodies independently serviced outside the premises of industries/ Buildings for which the HT power supply is availed, LPG bottling plants, petroleum pipeline projects, Piggery farms, Analytical Lab for analysis of ore metals, Saw Mills, Toy/wood industries, Satellite communication centres, Mineral water processing plants / drinking water bottling plants and Solid Waste Processing Plant.

RATE SCHEDULE

HT-2(a): Applicable to all areas of GESCOM.

Demand charges	Rs.265/kVA of billing demand/month
Energy charges	
For the first one lakh units	735 paise per unit
For the balance units	760 paise per unit

Tariff applicable to Railway Traction

Demand charges	Rs.275/kVA of billing demand/month
Energy charges	660 paise per unit for all the units

Note: Special Incentive Scheme & ToD Tariff is not applicable to Railway traction installations.

Tariff applicable to Effluent Plants independently serviced outside the premises of any installations under HT2 (a)

Demand charges	Rs.275/kVA of billing demand/month
Energy charges	700 paise per unit for all the units

Note: The ToD tariff is applicable to these installations if the Special incentive scheme is not opted.

TARIFF SCHEDULE HT-2(b)

Applicable to Commercial Complexes, Cinemas, Hotels, Boarding & Lodging, Amusement Parks, Telephone Exchanges, Race Course, All Clubs, T.V. Station, All India Radio, Railway Stations, Air Port, KSRTC bus stations, All offices, Banks, Commercial Multi-storied buildings. APMC Yards, Stadiums other than those maintained by Government and Local Bodies, Construction power for irrigation, Power Projects and Konkan Railway Project, Petrol / Diesel and Oil storage plants, I.T. based medical transcription centers, telecom, call centers, BPO/KPO, Diagnostic centres, concrete mixture (Ready Mix Concrete) units and Private Guest Houses / Travellers Bunglows.

All the activities listed under LT3 tariff schedule and not included under HT2(b) tariff schedule shall be classified under HT-2(b), if they avail power under HT supply.

RATE SCHEDULE

HT-2 (b): Applicable to all areas of GESCOM

Demand charges	Rs.290 /kVA of billing demand/month
Energy charges	
For the first two lakh units	905 paise per unit
For the balance units	915 paise per unit

TARIFF SCHEDULE HT-2(c)

RATE SCHEDULE

HT-2 (c) (i)- Applicable to Government Hospitals, Hospitals run by Charitable Institutions, ESI hospitals, Universities and Educational Institutions belonging to Government and Local bodies, Aided Educational Institutions and Hostels of all Educational Institutions.

Demand charges	Rs.260/kVA of billing demand/month
Energy charges	
For the first one lakh units	720 paise per unit
For the balance units	760 paise per unit

RATE SCHEDULE

HT-2 (c) (ii) – Applicable to Hospitals and Educational Institutions other than those covered under HT-2 (c) (i).

Demand charges	Rs.265/kVA of billing demand/month
Energy charges	
For the first one lakh units	820 paise per unit
For the balance units	860 paise per unit

Note: Applicable to HT-2 (a), HT-2 (b) & HT-2(c) Tariff Schedule.

1. Energy supplied may be utilized for all purposes associated with the working of the installation such as offices, stores, canteens, yard lighting, water pumping and advertisement within the premises.
2. Energy can be used for construction, modification and expansion purposes within the premises.
3. The tariff HT-2(b) is not applicable for construction of new industries. Such power supply shall be availed only under the temporary category HT-5.
4. **In respect of consumers availing HT power supply, the energy used for Effluent Treatment Plant and Drainage water treatment plants situated within the premises of the installation from the main meter or by fixing the separate sub-meter, the electricity consumed by such Effluent Treatment/ Drainage Treatment Plant shall be billed at the respective applicable tariff schedule for which the power supply is availed for the installation.**

ToD Tariff applicable to HT-2(a), HT-2(b) and HT-2(c) category.

Time of Day	Increase + / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	**0**
10.00 Hrs to 18.00 Hrs	**0**
18.00 Hrs to 22.00 Hrs	**From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit**
22.00 Hrs to 06.00 Hrs	**From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit**

Note: The ToD tariff is not applicable to Railway Traction installations.

TARIFF SCHEDULE HT-3 (a)

Applicable to Lift irrigation Schemes/ Lift irrigation societies,

RATE SCHEDULE

HT-3 (a)(i): Applicable to LI schemes under Govt. Departments/ Govt. owned Corporations

Energy charges/ Minimum Charges	315 paise per unit subject to an annual minimum of **Rs.1900** per HP/Annum

HT-3(a)(ii): Applicable to Private LI schemes and Lift Irrigation Societies: Connected to Urban/Express feeders

Fixed Charges	Rs.110 /HP/ per month of sanctioned load
Energy charges	315 paise/unit

HT-3(a)(iii): Applicable to Private LI schemes and Lift Irrigation societies other than those covered under HT-3 (a)(ii)

Fixed Charges	Rs.90 /HP/ per month of sanctioned load
Energy charges	315 paise/unit

TARIFF SCHEDULE HT-3 (b)

HT-3 (b): Applicable to Irrigation and Agricultural Farms, Government Horticultural Farms, Private Horticulture nurseries, Coffee, Tea, Rubber, Coconut & Arecanut Plantations.

RATE SCHEDULE

Energy charges / Minimum Charges	515 paise per unit subject to an annual minimum of Rs.1960 per HP of sanctioned load.

Note: These installations are to be billed on quarter yearly basis.

TARIFF SCHEDULE HT-4

Applicable to Residential apartments and colonies (whether situated outside or inside the premises of the main HT Installation) availing power supply independently or by tapping the main H.T. line. Power supply can be used for residences, theatres, shopping facility, club, hospital, guest house, yard/street lighting, canteen located within the colony, Temple, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious /Charitable institutions using power for religious activities.

RATE SCHEDULE

Applicable to all areas

Demand charges	Rs.175 per KVA of billing demand/ month
Energy charges	705 paise/unit

NOTE 1) In respect of residential colonies availing power supply by tapping the main H.T. supply, the energy consumed by such colony loads metered at a single point, is to be billed at the above energy rate. No reduction in the recorded demand of the main H.T. supply is allowed.

(2) Energy under this tariff may be used for commercial and other purposes inside the colonies for installations such as, Canteens, Clubs, Shops, Auditorium etc., provided, this commercial load is less than 10% of the Contract demand.

(3) In respect of Residential Apartments, availing HT Power supply under HT-4 tariff schedule, the supply availed for Commercial and other purposes like Shops, Hotels, etc., will be billed under appropriate tariff schedule (Only Energy charges), duly deducting such consumption in the main HT supply bill. No reduction in the recorded demand of the main HT meter is allowed. Common areas shall be billed at Tariff applicable to the predominant Consumer category.

(4) Temples, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious / Charitable Institution availing the power supply for religious activities under HT supply, shall be categorized and billed under HT-4 Tariff schedule. If these institutions use the power for Kalyana Mantapas /

Marriage hall, Restaurant or for any other commercial activity, not related to religious activities, such energy consumption shall be billed under HT-2(b) tariff schedule (only energy charges) duly deducting such consumption recorded in the main HT meter. However, no reduction in the demand charges towards the recorded demand in the main HT meter shall be allowed. In all such cases, it shall be ensured that sub-meters are provided to record such commercial consumption separately.

TARIFF SCHEDULE HT-5

Tariff applicable to sanctioned load of 67 HP and above for hoardings and advertisement boards and construction power for industries excluding those category of consumers covered under HT2(b) Tariff schedule availing power supply for construction power for irrigation, power projects and Konkan Railway Projects and also applicable to power supply availed on temporary basis with the contract demand of 67 HP and above of all categories.

HT – 5- Temporary Tariff

RATE SCHEDULE

67 HP and above:	**Approved by the Commission**
Fixed charges / Demand Charges	Rs.325/HP/month for the entire sanction load / contract demand
Energy Charges	1120 paise / unit

Note:

1. Temporary power supply with or without extension of distribution main shall be **arranged through a pre–paid energy meter** duly observing the provisions of Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

2. This Tariff is also applicable to touring cinemas having license for a duration of less than one year.

3. All the conditions regarding temporary power supply as stipulated in Clause 12 the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be complied with before service.

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