



Karnataka Electricity Regulatory Commission

ANNUAL REPORT

2005-06

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List of Abbreviations

APDRP	Accelerated Power Development & Reforms Programme
ARR	Annual Revenue Requirement
ABT	Availability Based Tariff
ALDC	Area Load Despatch Centre
AMR	Automatic Meter Reading
ATP	Any Time Payment
BESCOM	Bangalore Electricity Supply Company
BMAZ	Bangalore Metropolitan Area Zone
BRP	Balance Sheet Restructuring Plan
BST	Bulk Supply Tariff
BTPS	Bellary Thermal Power Station
CAGR	Compounded Annual Growth Rate
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CESC	Chamundeshwari Electricity Supply Corporation
CET	Central Electricity trader
CGRF	Consumer Grievances Redressal Forum
CoS	Cost of Supply
CPRI	Central Power Research Institute
CPP	Captive Power Plant
CGS	Central Generating Station
DC	Direct Connection
DCB	Demand, Collection and Balance
DM	Distribution Margin
DPR	Detailed Project Report
DTC	Distribution Transformer Centre
EA2003	Electricity Act 2003
ECON	Electricity Consumer Network
ERC	Expected Revenue from Charges
ES&D Code	Electricity Supply & Distribution Code
ESCOM	Electricity Supply Company
FC	Fixed Charges
FDP	Financial & Distribution Privatization
FY	Financial year
GESCOM	Gulbarga Electricity supply Company
GIS	Geographical Information System
GO	Government Order
GoI	Government of India
GoK	Government of Karnataka
HESCOM	Hubli Electricity Supply Company
HR	Human Resource

HT	High Tension
HVDS	High Voltage Distribution System
IP sets	Irrigation pump sets
IVRS	Interactive Voice Response
ISP	Institutional Strengthening and Power Market Development
IWPA	Indian Wind Power Association
KERA	Karnataka Electricity Reforms Act
KERC	Karnataka Electricity Regulatory Commission
KPTCL	Karnataka Power Transmission Corporation Ltd.
KPCL	Karnataka Power Corporation Limited
KWh	Kilo Watt hour
LT	Low Tension
MESCOM	Mangalore Electricity Supply Company
MIS	Management Information System
MMD	Monthly Minimum Deposit
MNES	Ministry of Non-conventional Energy Sources
MNR	Meter Not Recording
MoP	Ministry of Power
MU	Million Units
MW	Mega watt
MYT	Multi Year Tariff
NCE	Non Conventional Energy
NEP	National Electricity Policy
OCA	Office of Consumer Advocacy
OYT	Own Your Transformer
PGCIL	Power Grid Corporation of India
PPA	Power Purchase Agreement
PRDCL	Power Research Development Consultants Ltd
PWC	Price Waterhouse & Coopers
RLDC	Regional Load Despatch Centre
RTPS	Raichur Thermal Power Station
TBPCCL	Tanir Bhavi Power Company Ltd
T&D	Transmission & Distribution
TERI	The Energy and Resources Institute
VVNL	Visvesvaraya Vidyuth Nigama Ltd.

KARNATAKA ELECTRICITY REGULATORY COMMISSION

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FOREWORD

I have great pleasure in presenting the 7th Annual Report of Karnataka Electricity Regulatory Commission. In this report an earnest attempt has been made to present the Commission's efforts in achieving the objectives of the ongoing reform process.

The year 2005-06 is significant in that, the Tariff Policy has been issued by the Govt. of India and many provisions of the Electricity Act 2003 have come into effect. The Commission has already notified majority of the regulations for implementation of the Electricity Act 2003. GoK has entrusted the trading of electricity to the ESCOMs effective from 10.6.2005 and KPTCL has become a pure wires company from that date. The Commission, for the first time in the country, has introduced different tariffs for consumers in urban areas and slightly lower tariffs for consumers in rural areas in the Tariff Order dated 27.9.05. Open access to the HT consumers has been introduced from 10.6.2005. The Commission has recently notified the Multi Year Tariff Regulations both for transmission and distribution, which would be effective from 1.4.07. All these measures are expected to further improve operational efficiencies of the utilities and to rationalize the consumer tariffs.

This is the seventh year of the regulatory regime in the power sector of Karnataka. The Commission has continued to consolidate various steps taken by the Commission so far to make the power sector economically strong, efficient and competitive, balancing the interests of all the stakeholders and at the same time upholding the legitimate rights of the consumers in the State.

Date: 13.06.2006
Place: Bangalore

K.P. Pandey