



**Karnataka Electricity Regulatory Commission**

# **ANNUAL REPORT**

## **2006-07**

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## List of Abbreviations

ABC	Aerial Bunched Cables
ABT	Availability Based Tariff
AMR	Automatic Meter Reading
APDRP	Accelerated Power Development & Reforms Programme
ARR	Annual Revenue Requirement
ASD	Additional Security Deposit
ATE	Appellate Tribunal for Electricity
ATL	Anti Theft Law
BESCOM	Bangalore Electricity Supply Company
BRP	Balance Sheet Restructuring Plan
BST	Bulk Supply Tariff
BTPS	Bellary Thermal Power Station
CAGR	Compounded Annual Growth Rate
CEIG	Chief Electrical Inspector to Government
CERC	Central Electricity Regulatory Commission
CESCO	Chamundeshwari Electricity Supply Corporation
CET	Central Electricity trader
CGRF	Consumer Grievance Redressal Forum
CoS	Cost of Supply
CPRI	Central Power Research Institute
CGS	Central Generating Stations
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
HP	Horse Power
HR	Human Resource
HT	High Tension
HVDS	High Voltage Distribution System
IP sets	Irrigation pump sets
IT	Information Technology
IVRS	Interactive Voice Response
ISP	Institutional Strengthening and Power Market Development
KEB	Karnataka Electricity Board
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
CA	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
RoE	Return on Equity
RTPS	Raichur Thermal Power Station
SLDC	State Load Despatch Centre
TBPCL	Tanir Bhavi Power Company Ltd
T&D	Transmission & Distribution
TERI	The Energy and Resources Institute
VVNL	Visvesvaraya Vidyuth Nigama Ltd.

## KARNATAKA ELECTRICITY REGULATORY COMMISSION



**K.P. Pandey**  
**Chairman**

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### **FOREWORD**

I am immensely pleased to place the eighth Annual Report of the Commission for the year 2006-07. Preparation of Annual Report under section 105 of the Electricity Act 2003 provides an opportunity to the Commission, not only to take stock of the fulfillment of its duties and responsibilities but also to chalk out its plan of action for the ensuing year.

This is the eighth year of the power sector reforms in Karnataka. The Commission has continued to consolidate various steps taken by it so far, to make the power sector more vibrant, efficient, and competitive, duly balancing the interests of all the stakeholders and at the same time protecting the interest of the consumers.

The year 2006-07 is very significant, as the Commission has embarked upon implementation of Multi-Year Tariff (MYT) both for Transmission and for distribution and Retail Supply business. The KPTCL and ESCOMs have filed their ERCs and Tariff Application for FY08-10 under MYT framework and the Commission has already issued the tariff order in respect of KPTCL under MYT framework. Under the MYT regime, incentives and disincentives have been provided for over or under performance. The determination of tariffs is based on the outputs rather than inputs. The licensees have to adapt themselves to this change and strive hard to achieve the benchmarks set out by the Commission. The Commission sincerely hopes that stakeholders would appreciate the purpose behind implementation of the MYT and would endeavour to achieve the goals set out under the MYT regime.

Date: 23<sup>rd</sup> August 2007.  
Place: Bangalore

Sd/-  
**K.P.Pandey**