

**KARNATAKA ELECTRICITY REGULATORY COMMISSION**

No.9/2, 6<sup>th</sup> & 7<sup>th</sup> Floor, Mahalaxmi Chambers,  
M.G. Road, Bengaluru-560 001

**Present:**

<b>Sri. M.K. Shankaralinge Gowda</b>	<b>Chairman</b>
<b>Sri. H.D. Arun Kumar</b>	<b>Member</b>
<b>Sri. D.B. Manival Raju</b>	<b>Member</b>

**OP No.41/ 2017**

**Between**

Mangalore Electricity Supply Company Limited  
MESCOM Bhavana, Bejai,  
Kavoor Cross Road  
Mangaluru- 575 004

Petitioner

**And**

Nil

Respondent

**ORDERS**

**N/72/17**

**Date: 31<sup>st</sup> October, 2017**

1. The Petitioner, a Distribution licensee in the State of Karnataka, has filed this Petition under Section 94 of the Electricity Act, 2003, read with Clause 8 of the KERC (General and Conduct of Proceedings) Regulations, 2004, praying to enhance the ceiling limit of economic feasibility for arranging power supply to IP sets, from the present Rs 10,000/- per HP to Rs 40,000/- per HP.
2. The Petitioner submits that due to increase in the cost of materials and labour, majority of the estimates prepared for arranging power supply to IP sets in its jurisdiction exceed the present ceiling limit of Rs 10,000/- per HP, making servicing of IP set installations as financially unviable. The Petitioner

has produced a few illustrations in support of its submission. While submitting that, the cost per IP set worked out using the Schedule of Rates for different lengths of HT/LT lines ranges from Rs 16,000/- to Rs 43,533/-, the Petitioner has sought approval of the Commission for overall increase in the economic feasibility limit to Rs 40,000/- per HP from the existing level of Rs 10,000/- per HP, for arranging power supply to IP sets.

3. After hearing the counsel for the Petitioner, we deemed it fit to have public consultation in the matter. The Petitioner, as directed for this purpose, published the abridged version of the said Petition in the local newspapers calling for objections/views from the stakeholders in the matter and also sought the Comments / views of other distribution licensees in the State.
4. The Chamundeswari Electricity Supply Corporation Limited (CESC) has submitted that to arrange power supply to 2,019 unauthorised IP sets in a specific area in its jurisdiction involving creation of infrastructure including 153.33 km of HT line, 202.4 km of LT line and 807 number of 25 kVA distribution transformers, the cost per IP set works out to approximately Rs 1,00,000/-. Considering 5 HP per IP set, it has therefore prayed for enhancing of the ceiling limit of economic feasibility limit from the existing Rs10,000/- per HP to Rs 20,000/- per HP for arranging power supply to IP sets.
5. The Petitioner has submitted that no objections/views have been received from any other Stakeholder.
6. The Commission notes that as per Clause 6.04 of Condition of Supply of Electricity(CoS) of Distribution Licensees in the State of Karnataka, the feasibility criteria for arranging power supply to IP sets shall be as prescribed by the licensee with the approval of the Commission. The Commission also notes the submission of the CESC. We further note that, the cost of arranging power supply to IP sets in the Petitioner's area may be a little higher as compared to other distribution licensee's areas owing to geographical distance involved. Although the Petitioner has indicated in its calculation that only one IP set can be catered from one 25 kVA

transformer, we note that, in fact three IP sets can be catered from one 25 KVA transformer thereby reducing the overall cost per HP.

7. The Commission having considered submissions made and calculations furnished is of the opinion that the ceiling limit on economic feasibility for arranging power supply to IP sets needs to be enhanced from the current level in view of the increase in cost of materials and labour.
8. Therefore, we pass the following Order:

**ORDER**

**The Commission hereby approves enhancement of the ceiling limit of economic feasibility from Rs 10,000/- per HP to Rs 25,000/- per HP for arranging power supply to IP sets in the State of Karnataka. The Petition is disposed of accordingly.**

**This order is signed and issued by the Karnataka Electricity Regulatory Commission at Bengaluru, Tuesday, the 31<sup>st</sup> of October, 2017.**

Sd/-

**M.K. Shankaralinge Gowda  
Chairman**

Sd/-

**H.D. Arun Kumar  
Member**

Sd/-

**D.B. Manival Raju  
Member**