

## CHAPTER – 4

### DETERMINATION OF RETAIL SUPPLY TARIFF FOR FY18

#### 4.0 Revision of Retail Supply Tariff for FY18-HUKERI RECS's Proposals and Commission's Decisions:

##### 4.1 Tariff Application

As per the Tariff application filed by the HUKERI RECS, it has projected an unmet gap in revenue of Rs.3835.22 Lakhs for FY18, which also includes the gap in revenue of Rs.1692.88 Lakhs for FY16. In order to bridge this gap in revenue, HUKERI RECS has proposed a tariff increase of 205 paise per unit, in respect of all the categories of consumers.

In the previous chapters of this order, the Annual Performance Review (APR) for FY16 and the revision of ARR for FY18 has been discussed. The various aspects of determination of tariff for FY18 are discussed in this Chapter.

##### 4.2 Statutory Provisions guiding determination of Tariff

As per 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 are 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 within the period to be specified by the Commission;
- efficiency in performance is to be rewarded: and
- that a multi-year tariff framework is adopted.

Section 62(5) of the Electricity Act 2003, read with Section 27(1) of the Karnataka Electricity Reform Act 1999, empowers the Commission to specify, from time to time, the methodologies and the procedure to be observed by the licensees in calculating the Expected Revenue from Charges (ERC). The Commission determines the Tariff in accordance with the Regulations and the Orders issued by the Commission from time to time.

#### **4.3 Factors Considered for Tariff setting:**

The Commission has considered the following relevant factors for determination of retail supply tariff:

##### **a) Tariff Philosophy:**

As discussed in the earlier tariff orders, the Commission continues to fix tariff below the average cost of supply in respect of consumers whose ability to pay is considered inadequate and fix tariff at or above the average cost of supply for categories of consumers whose ability to pay is considered to be higher. Thus, the system of cross subsidy continues. 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 based on the average cost of supply. The KERC (Tariff) Regulations, 2000, as amended from time to time, require the licensees to provide 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 25<sup>th</sup> November 2009. The Commission decides to continue the same in the present order also.

#### **4.4 New Tariff Proposals:**

**i) Tariff determination for Auxiliary Consumption of KPTCL's Substations:**

ESCOMs, in their tariff application dated 30<sup>th</sup> November, 2016, besides seeking revision of retail supply tariff for all the categories of consumers, has prayed for determination tariff for the Auxiliary Consumption of KPTCL Stations. CESC has also filed separate Petitions before this Commission seeking tariff determination for auxiliary consumption of KPTCL's substations.

ESCOMs have requested fixation of tariff for KPTCL's Auxiliary consumption on the following grounds:

1. The power utilized by KPTCL Substations for auxiliary consumption purpose is supplied by ESCOMs through a separate feeder or local feeder. The power so supplied by ESCOMs is from the pooled purchase of power from different sources at different rates. The cost incurred in procurement of power by the ESCOMs, need to be paid by the KPTCL.
2. The auxiliary consumption of PGCIL stations, being the transmission utility, is being billed under commercial tariff.
3. The auxiliary consumption of KPTCL Substations is being billed at average power purchase cost of the ESCOMs where the substations

are geographically located, from June, 2005 to October 2016 as per the KPTCL's letter dated 15.12.2005.

**Commission's analysis and decision:**

The treatment of the electricity consumption of KPTCL's substations has been a matter of contention between KPTCL and ESCOMs. While the KPTCL has been urging the Commission to treat the consumption of its substations as transmission loss, the ESCOMs have been requesting the Commission to fix a commercial tariff.

The BESCOM in its letter dated 29.05.2015, had requested the Commission to approve the Commercial tariff to the auxiliary consumptions in respect of KPTCL Sub-stations. After examining the issue in detail, the Commission had clarified that as per the provisions of Regulation 3.3 of the KERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006, the charges for the auxiliary consumptions of KPTCL substations used for the purpose of air-conditioning, lighting etc. are part of the normative operation and maintenance expenses of KPTCL and hence the charges for the same have to be borne by KPTCL. Further, the Commission also notes that, the KPTCL while computing the transmission losses, is not considering the electricity consumption of its sub-stations as part of the transmission loss. Accordingly, the Commission vide its letter No.B/07/05/451 dated 23.06.2015, had clarified that, since there is no specific category in the present tariff schedule for billing the auxiliary consumption of KPTCL Substations, the ESCOMs should seek determination of tariff in respect of sale of power to KPTCL substations under the provisions of clause 3.05 of the Conditions of Supply of Electricity by Distribution Licensees in the State of Karnataka. Accordingly, the ESCOMs have filed the petitions.

From the submissions made by ESCOM, it is clear that, the power utilized by KPTCL Sub-stations for the consumption purpose is being supplied by the ESCOMs through a separate / local feeder.

Since, KPTCL is responsible for accounting the energy purchased by the ESCOMs upto the interface point of the ESCOM's and the energy utilized by KPTCL Substations for auxiliary consumption purpose has not been recognized in computation of transmission losses, the energy supplied from the distribution network of the ESCOMs for the consumption of the KPTCL Substations has to be accounted and charged in accordance with the provisions of the KERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006.

Now, keeping in view the request of the ESCOMs, the issue before the Commission is whether to fix a commercial tariff or a tariff equal to the State's average power purchase cost, to bill the auxiliary consumption of KPTCL Sub-stations. The Commission notes that any tariff charged to bill the KPTCL's substations consumption, shall have to be ultimately recovered through transmission tariff, which in turn, is passed on to the end consumers in the form of retail supply tariff. In order to minimise the burden on the retail supply consumers, the Commission decides as follows:

In accordance with the provisions of Regulation 3.3 of the KERC (Terms and Conditions for Determination of Transmission Tariff), Regulations, 2006 and amendment thereon and Clause 3.05 of the Conditions of Supply of Electricity by Distribution Licensees in the State of Karnataka, the power supplied by the ESCOMs / Hukeri RECS to the KPTCL's Substations for auxiliary consumption purposes, the Commission decides **to fix a single part tariff rate at the State Average Power Purchase Cost, as approved by the Commission, in the Tariff Orders issued from time to time.**

Further, for the energy consumption by KPTCL's Sub-stations for auxiliary purposes, during the previous periods, the ESCOMs / Hukeri RECS shall bill it at the average power purchase cost of the State, as determined by the Commission in the Tariff Order issued from time to time.

**ii) Increase in Demand Charges and reduction in energy charges to HT consumers.**

Some of the ESCOMs in their application and also in the petitions has proposed increase in Demand Charges (Fixed Cost) and reduction in energy charges to HT-1, HT-2(a) (b) (c) and HT4 consumers for the following reasons:

- i) The ratio of fixed and variable cost of power purchase cost payable to the private generators is 33: 67.
- ii) All the ESCOMs in the state are recovering the fixed cost of their distribution network only 9% of the ARR, the balance 24% of the fixed cost through energy charge (variable charge)
- iii) ESCOM, it is not able to recover the variable costs, which include the fixed cost by Rs.10/- (Rupees Ten only) Per KVA/HP/KW from the HT consumer opting for open access.
- iv) The contribution of fixed cost is only 9% of the ARR and the remaining fixed cost is camouflaged in the energy charges, which are higher.

With the above justification, the ESCOMs have proposed to increase the Demand charges upto Rs.250 per KVA of the billing demand from the existing Demand Charge of Rs.180 -200 per KVA and also proposed reduction energy charges ranging between 20 Paise to 85 paise per unit to the various categories of HT consumers.

**Consumers' Response:**

The representatives of small-scale industries have opposed the proposal for increasing the Demand Charges. They have contended that ESCOM's has not furnished the working details of fixed charges and its percentage to the total fixed cost being incurred. It is further submitted that as per the provisions of the Electricity Act, 2003, the ESCOMs should realise the cost of supply from all the categories of consumers and should not confine recovery of fixed cost only to a specific category of consumers.

**Commission's analysis and decision:**

ESCOM's, in their petitions have considered the recovery of Fixed Cost (FC) of generation sources and the distribution network. It has not considered the FC involved in transmission of power and the SLDC charges, which are one of the major components of the ARR. Further, seeking increase in demand charges and reduction in the energy charges to HT consumers only does not appear to a proper approach. Any proposal to encourage sale or to improve the ESCOM's finances should be made by keeping the interest of all the consumers in mind and the treatment to various class of consumers across the ESCOM should be just and equitable. Hence, the Commission is unable to accept the proposal of ESCOM's to increase the Demand Charges of its HT consumers in total.

The Commission in its Tariff Order dated 30<sup>th</sup> March, 2016 had consider increase in demand charges to the consumers of all consumers in the State. While doing so it had observed that:

“As per the new Tariff Policy issued by the Ministry of Power, Government of India, dated 28<sup>th</sup> January, 2016, two-part Tariff featuring separate fixed and variable charges shall be introduced for all consumers. In order to ensure their financial viability, it is imperative that the fixed expenditure incurred by the ESCOMs are recovered in the form of fixed charges. On a study of the existing rate of fixed charges levied on the consumers and the amount collected thereon, it is observed that fixed charges need to be increased gradually to meet the above objective”.

In pursuance of the above, the Commission has again reviewed the status of recovery of fixed charges while revising the tariff for FY18.

Since the Commission has decided to increase the FC year on year gradually, an increase ranging between Rs. 10 to Rs.20 has been considered while approving the tariff to various categories of consumers. The details of the actual increase is indicated in the tariff schedule of each of the consumer categories.

**iv) Introduction of morning peak from 6 AM to 10 AM under ToD billing:**

In respect of HT consumers, some of the ESCOMs in their petition and in the applications have proposed to introduce ToD billing for morning peak between 6 AM to 10AM in addition to the prevailing ToD billing for usage of energy during

evening peak (6 p.m. to 10 p.m.) and to reduce the incentive for off peak usage (during night hours) to Re1/ per unit against the existing rate of Rs.1.25 per unit.

ESCOMs have submitted that the ToD billing is to encourage the HT consumers to shift their load from peak hours to non-peak hours by incentivising them and also to levy a penalty to discourage usage of energy during peak hours. It has also cited the examples of Delhi, Mumbai and Gujarat where ToD billing is prevailing for both morning and evening peak usage as compared to the State's single ToD billing for evening peak usage. The off peak incentive helps in shifting the load curve to night hours which is helpful for optimum power generation during night hours.

Consumers across the State have opposed this proposal and have requested the Commission to make the ToD billing optional instead of making it mandatory.

The Commission has examined the issue in detail. It is found that during most part of the year, the morning peak usage is higher than the evening peak usage. In the absence of penal charges during the morning peak, the tendency to use the power in the morning peak is more as compared to the evening peak. The system of ToD billing for morning peak is also prevalent in the States referred to above. Hence, the Commission decides to introduce ToD billing in respect of HT consumers for morning peak between 6 AM to 10AM in addition to the prevailing ToD billing for usage of energy during evening peak (6 p.m. to 10 p.m.) and also to reduce the incentive for off-peak usage (during night hours) to Re1/ per unit as against the existing rate of Rs.1.25 per unit. The necessary changes in the ToD billing are indicated in the respective Tariff schedule of the HT Consumers, in this Tariff Order.

#### **4.5 Revenue at existing tariff and deficit for FY18:**

The Commission in its preceding Chapters has decided to carry forward the gap in revenue of Rs.747.55 Lakhs of FY16 to the ARR of FY18. The gap in revenue for FY18 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 FY18 and the revenue as per the existing tariff, the gap in revenue for FY18 is as follows:

**TABLE – 4.1**  
**Revenue Deficit for FY18**

Amount Rs. in Lakhs

Particulars	Amount
Approved Net ARR for FY18 including gap of FY16	15538.74
Revenue at existing tariff	13026.89
Surplus / (-) Deficit	(2511.85)
Additional Revenue to be realised by Revision of Tariff	2511.85

Accordingly, in this Chapter, the Commission has proceeded to determine the Revised Retail Supply Tariff for FY18. The category-wise tariff as existing, as proposed by HUKERI RECS and as approved by the Commission are as follows:

#### 1. LT-1 Bhagya Jyothi:

The existing tariff and the tariff proposed by HUKERI RECS are given below:

Sl.No	Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
1	Energy charges (including recovery towards service main charges)	482 Paise / Unit Subject to a monthly minimum of Rs.30 per installation per month.	700 Paise / Unit Subject to a monthly minimum of Rs.30 per installation per month.

#### Commission's Views/ 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 20<sup>th</sup> March, 2017 (instead of the earlier limit of 18 units per month). Based on the present average cost of supply, the tariff payable by these BJ/KJ consumers is revised to Rs.5.92 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).

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

**LT – 1 Approved Tariff for BJ / KJ installations**

<b>Commission determined Tariff</b>	<b>Retail Supply Tariff determined by the Commission</b>
592 paise per unit, Subject to a monthly minimum of Rs.30 per installation per month.	-Nil- Fully subsidized by GoK

**\*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.5.92 per unit subject to a monthly minimum of Rs.30 per installation per month, shall be demanded and collected from these consumers.**

**2. LT2 - Domestic Consumers:**

**HUKERI RECS'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 Urban Local Bodies**

<b>Details</b>	<b>Existing as per 2016 Tariff Order</b>	<b>Proposed by HUKERI RECS</b>
Fixed Charges per Month	For the first KW Rs.30	For the first KW Rs.30
	For every additional KW Rs.40	For every additional KW Rs.40
Energy Charges 0-30 units <b>(life line Consumption )</b>	0 to 30 units:300 paise/unit	0 to 30 units: 505 paise/unit
Energy Charges exceeding 30 units per month	31 to 100 units:440 paise/unit	31 to 100 units: 645 paise / unit
	101 to 200 units:590 paise /unit	101 to 200 units:795 paise /unit
	Above 200 units:690 paise/unit	Above 200 units:895paise /unit

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

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	For the first KW Rs.20	For the first KW Rs.20
	For every additional KW Rs.30	For every additional KW Rs.30
Energy Charges 0-30 units ( <b>life line Consumption</b> )	Upto 30 units:290 paise/unit	0 to 30 units:495 paise/unit
Energy Charges exceeding 30 Units per month	31 to 100 units:410 paise/unit	31 to 100 units:615 paise/unit
	101 to 200 units:560 paise/unit	101 to 200 units: 765 paise/unit
	Above 200 units: 640 paise/unit	Above 200 units:845 paise/unit

**Commission's decision**

The Commission decides to continue with the two tier tariff structure in respect of the domestic consumers as shown below:

- (i) Areas coming under City Municipal Corporations and all 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 Urban  
Local Bodies**

Details	Tariff approved by the Commission
Fixed charges per Month	For the first KW: Rs.40/-
	For every additional KW Rs.50/-
Energy Charges up to 30 units per month (0-30 units)- <b>life line consumption.</b>	Upto 30 units: 325paise/unit
Energy Charges in case the consumption exceeds 30 units per month	31 to 100 units:470 paise/unit
	101 to 200 units:625 paise/unit
	Above 200 units: 730 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.25/-
	For every additional KW Rs.40/-
Energy Charges up to 30 units per month (0-30 Units)- <b>Lifeline Consumption</b>	Up to 30 units: 315 paise/unit
Energy Charges in case the consumption exceeds 30 units per month	31 to 100 units: 440 paise/unit
	101 to 200 units:595paise/unit
	Above 200 units: 680 paise/unit

**LT2 (b) Private and Professional Educational Institutions& Private Hospitals and Nursing Homes:****HUKERI RECS's Proposal:**

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

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

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed Charges per Month	Rs.45 Per KW subject to a minimum of Rs.75 per month	Rs.45 Per KW subject to a minimum of Rs.75 per month
Energy Charges	For the first 200 units 625 paise per unit	For the first 200 units 830 paise per unit
	Above 200 units: 745 paise per unit	For the balance units 950 paise per unit

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

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed Charges per Month	Rs.35 per KW subject to a minimum of Rs.60 per Month	Rs.35 per KW subject to a minimum of Rs.60 per Month
Energy Charges	For the first 200 units: 570 paise per unit	For the first 200 units:775 paise per unit
	Above 200 units: 690 paise per unit	For the balance units:895 paise per unit

**Commission's decision**

As in the previous Tariff Order the Commission decides to continue the two tier tariff structure as follows:

- (i) Areas coming under City Municipal Corporation and all urban local bodies.
- (ii) 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.55 per KW subject to a minimum of Rs.85 per Month
Energy Charges	0-200 units: 650 paise/unit
	Above 200 units: 775 paise/unit

**Approved Tariff for LT 2 (b) (ii)****Private Professional and other private Educational Institutions, Private Hospitals and Nursing Homes  
Applicable in Areas under Village Panchayats**

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs.45 per KW subject to a minimum of Rs.70 per Month
Energy Charges	0-200 units: 595 paise/unit
	Above 200 units: 720 paise/unit

**3. LT3- Commercial Lighting, Heating & Motive Power:****HUKERI RECS's Proposal:**

The existing and proposed tariffs are as follows:

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

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs.50 per KW	Rs.50 per KW
Energy Charges	For the first 50 units:715 paise per unit	For the first 50 units:920 paise per unit
	For the balance units:815 paise per unit	For the balance units: 1020 paise per unit

**Demand based tariff (optional) where sanctioned load is above 5 KW but below 50 KW.**

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed charges	Rs.65 per KW	Rs.65 per KW
Energy Charges	For the first 50 units:715paise per unit	For the first 50 units:920paise per unit
	For the balance units:815 paise per unit	For the balance units:1020 paise per unit

**LT-3 (ii) Commercial Lighting, Heating & Motive**  
**Applicable to areas under Village Panchayats**

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed Charges per Month	Rs.40 per KW	Rs.40 per KW
Energy Charges	For the first 50 units:665paise per unit	For the first 50 units:870 paise per unit
	For the balance units:765paise per unit	For the balance units:970 paise per unit

**Demand based tariff (optional) where sanctioned load is above 5 KW but below 50 KW**

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed Charges per Month	Rs.55 per KW	Rs.55 per KW
Energy Charges	For the first 50 units:665paise per unit	For the first 50 units:870 paise per unit
	For the balance units:765 paise per unit	For the balance units:970 paise per unit

**Commission's Views/ Decision**

As in the previous Tariff Order, the Commission decides to continue with the two tier tariff structure as below:

- (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.60 per KW
Energy Charges	For the first 50 units: 750 paise/ unit
	For the balance units: 850 paise/unit

**Approved Tariff for Demand based tariff (Optional) where sanctioned load is above 5 kW but below 50 kW**

Details	Approved by the Commission
Fixed Charges per Month	Rs.75 per KW
Energy Charges	For the first 50 units:750 paise /unit
	For the balance units:850 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.50 per KW
Energy Charges	For the first 50 units: 700 paise per unit
	For the balance units: 800 paise per unit

**Approved Tariff for Demand based tariff (Optional) where sanctioned load is above 5 kW but below 50 kW**

Details	Approved by the Commission
Fixed Charges per Month	Rs.65 per KW
Energy Charges	For the first 50 units: 700 paise per unit
	For the balance units: 800 paise per unit

**4. LT4-Irrigation Pump Sets:**

**HUKERI RECS's Proposal:**

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

**LT-4 (a) Irrigation Pump Sets**

**Applicable to IP sets upto and inclusive of 10 HP**

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Nil	Nil
Energy charges	CDT 463 paise per unit	Free (In case GoK does not release the subsidy in advance, CDT of 668 paise per unit will be demanded and collected from consumers)

**Commission's Decision**

The Government of Karnataka has extended free supply of power to farmers as per 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 covering under free 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 FY18

Particulars	HUKERI RECS
Approved ARR in Rs. Lakhs	15538.74
Revenue from other than IP & BJ/KJ installations in Rs. Lakhs	4564.04
Amount to be recovered from IP & BJ/KJ installations in Rs. Lakhs	10974.70
Approved Sales to BJ/KJ installations in MU	2.582
Revenue from BJ/KJ installations at Average Cost of supply in Rs. Lakhs	152.85
Amount to be recovered from IP Sets category in Rs. Lakhs	10821.85
Approved Sale to IP Sets in MU	186.84
<b>Commission Determined Tariff (CDT) for IP set Category for FY18 in Rs/Unit</b>	<b>5.79</b>

Accordingly, the Commission decides to approve tariff of **Rs.5.79** per unit as CDT for FY18 for IP Set category under LT4 (a). In case the GoK does not release the subsidy in advance, a tariff of **Rs.5.79** 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	Approved by the Commission
Fixed charges per Month Energy charges	Nil*
CDT (Commission Determined Tariff): 579 paise per unit	

**\* In case the GoK does not release the subsidy in advance, a tariff of Rs.5.79 per unit shall be demanded and collected from these consumers.**

The Commission has been issuing directives to ESCOMs/Hukeri RECS for conducting Energy Audit at the Distribution Transformer Centre (DTC)/feeder level for properly assessment of distribution losses and to enable detection and prevention of commercial loss. In view of substantial progress in implementation of feeder segregation under NJY scheme, the ESCOMs/ Hukeri RECS were also directed to submit IP set consumption on the basis of the meter readings of the 11 kV feeders at the substation 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/ Hukeri RECS 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 ESCOMs/ Hukeri RECS have complied partly with these directions and they have initiated measures to achieve** full compliance. The ESCOMs need to ensure full compliance as this has direct impact on their revenues and tariff payable by other categories of consumers.

**For the forgoing reasons, the Commission directs the ESCOMs/Hukeri RECS as follows:**

**The ESCOMs / Hukeri RECS shall manage supply of power to the IP sets for the FY18, so as to ensure that it is within the quantum of subsidy committed by the GoK. They shall procure power, which is proportional to such supply. In case the ESCOMs/Hukeri RECS opt to supply power to the IP sets in excess of the quantum corresponding to the amount of subsidy the GoK has assured to be released for FY18, 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 has to be collected from the IP set consumers.**

#### **LT4 (b) Irrigation Pump Sets above 10 HP:**

##### **HUKERI RECS's Proposal**

The Existing and 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 2016 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs.40 per HP	Rs.40 per HP
Energy charges for the entire consumption	280 paise per unit	485 paise per unit

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

**LT-4 (c) (i) - Applicable to Private Horticultural Nurseries, Coffee, Tea & Rubber plantations up to & inclusive of 10 HP**

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs.30 per HP	Rs.30 per HP
Energy charges for the entire consumption	280 paise per unit	485 paise per unit

**LT-4 (c) (ii) - Applicable to Private Horticultural Nurseries, Coffee, Tea & Rubber plantations above 10 HP**

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs.40 per HP	Rs.40 per HP
Energy charges for the entire consumption	280paise per unit	485paise 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**

Fixed charges per Month	Rs.50 per HP
Energy charges for the entire consumption	300 paise/unit

**LT4(c) (i) - Applicable to Horticultural Nurseries,  
Coffee, Tea & Rubber plantations up to & inclusive of 10 HP**

Fixed charges per Month	Rs.40 per HP
Energy charges	300 paise / unit

**LT4 (c)(ii) - Applicable to Horticultural Nurseries, Coffee, Tea & Rubber  
plantations above 10 HP**

Fixed charges per Month	Rs.50 per HP
Energy charges	300 paise/unit

**5. LT5 Installations-LT Industries:**

**HUKERI RECS'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 2016 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	i) Rs. 30 per HP for 5 HP & below ii) Rs. 35 per HP for above 5 HP & below 40 HP iii) Rs. 40 per HP for 40 HP & above but below 67 HP iv) Rs. 100 per HP for 67 HP & above	i) Rs. 30 per HP for 5 HP & below ii) Rs. 35 per HP for above 5 HP & below 40 HP iii) Rs. 40 per HP for 40 HP & above but below 67 HP iv) Rs. 100 per HP for 67 HP & above

**Demand based Tariff (Optional)**

Details	Description	Existing Tariff as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.50 per KW of billing demand	Rs.50 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.65 per KW of billing demand	Rs.65 per KW of billing demand
	67 HP and above	Rs.150 per KW of billing demand	Rs.150 per KW of billing demand

**ii) Energy Charges**

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
For the first 500 units	495 paise per unit	700 paise/ unit
For next 500 units	585 paise per unit	790 paise /unit
For the balance unit	615 paise per unit	820 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 2016 Tariff Order	Proposed by HUKERI RECS
Fixed Charges per Month	i) Rs.30 per HP for 5 HP & below ii) Rs.35 per HP for above 5 HP & below 40 HP iii) Rs.40 per HP for 40 HP & above but below 67 HP iv) Rs.100 per HP for 67 HP & above	i) Rs.30 per HP for 5 HP & below ii) Rs.35 per HP for above 5 HP & below 40 HP iii) Rs.40 per HP for 40 HP & above but below 67 HP iv) Rs.100 per HP for 67 HP & above

**Demand based Tariff (optional)**

Details	Description	Existing Tariff as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.50 per KW of billing demand	Rs.50 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.65 per KW of billing demand	Rs.65 per KW of billing demand
	67 HP and above	Rs.150 per KW of billing demand	Rs.150 per KW of billing demand

**ii) Energy Charges**

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
For the first 500 units	485 paise per unit	690 paise/ unit
For the next 500 units	570 paise per unit	775 paise/ unit
For the balance units	600 paise per unit	805 paise/ unit

**Existing 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
22.00 Hrs to 06.00 Hrs	(-) 125 paise per unit
06.00 Hrs to 18.00 hrs	0
18.00 Hrs to 22.00 Hrs	(+) 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
22.00 Hrs to 06.00 Hrs	(-) 125 paise per unit
06.00 Hrs to 18.00 hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 paise per unit

**Commission's Decision:****Time of the 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 optional ToD will continue as existing for HT2(a), HT2(b) and HT2(c) consumers with contract demand of less than 500 KVA. Further, for LT5 and HT1 consumers, the optional ToD is continued as existing.

The Commission has decided to continue with two tier tariff structure introduced in the previous Tariff Orders, which are as follows:

- i) LT5 (a): For areas falling under City 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) as given below:

**Approved 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.40 per HP for 5 HP & below ii) Rs.45 per HP for above 5 HP & below 40 HP iii) Rs.60 per HP for 40 HP & above but below 67 HP iv) Rs.120 per HP for 67 HP & above

**Demand based Tariff (optional)**

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.60 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.85 per KW of billing demand
	67 HP and above	Rs.170 per KW of billing demand

**ii) Energy Charges**

Details	Approved by the Commission
For the first 500 units	510 paise/unit
For the next 500 units	605 paise/ unit
For the balance units	635 paise/ unit

**Approved Tariff for LT 5 (b):****Applicable to all areas other than those covered under LT-5(a)****i) Fixed charges**

Details	Approved Tariff
Fixed Charges per Month	i) Rs.35 per HP for 5 HP & below ii) Rs.40 per HP for above 5 HP & below 40 HP iii) Rs.55 per HP for 40 HP & above but below 67 HP iv)Rs.110 per HP for 67 HP & above

**ii) Demand based Tariff (optional)**

Details	Description	Approved Tariff
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.55 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.80 per KW of billing demand
	67 HP and above	Rs.160 per KW of billing demand

**iii) Energy Charges**

Details	Approved tariff
For the first 500 units	500 paise/ unit
For the next 500 units	590 paise/ unit
For the balance units	620 paise/unit

**As discussed earlier in this Chapter, the approved 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	(+) 100 paise per unit
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	(+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	(-) 100 paise per unit

**6. LT6 Water Supply Installations and Street Lights:****HUKERI RECS's Proposal:**

The existing and the proposed tariffs are given below:

**LT-6(a) : Water Supply**

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs.45/HP/month	Rs.45/HP/month
Energy charges	390 paise/unit	595 paise/unit



**LT-6 (b) : Public Lighting**

Details	Existing as per 2016 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs.60/KW/month	Rs.60/KW/month
Energy charges without LED bulbs	550 paise/unit	755 paise/unit
<b>Energy charges for LED / Induction</b>	<b>450 paise/unit</b>	<b>655 paise/unit</b>

The Commission approves the tariff for these categories are as follows:

**Tariff Approved by the Commission for LT-6 (a): Water supply**

Details	Approved Tariff
Fixed Charges per Month	Rs.55/HP/month
Energy charges	425 paise/unit

**Tariff Approved by the Commission for LT-6 (b): Public Lighting**

Details	Approved Tariff
Fixed charges per Month	Rs.70 /KW/month
Energy charges	585 paise/unit
Energy charges for LED / Induction Lighting	485 paise/unit

**7. LT 7- Temporary Supply & Permanent supply to Advertising Hoardings:**

**HUKERI RECS'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 2016 Tariff Order	Proposed by HUKERI RECS
a) Less than 67 HP:	Energy charge at 950 paise per unit subject to a weekly minimum of Rs.170 per KW of the sanctioned load.	Energy charge at 1155 paise per unit subject to a weekly minimum of Rs.170 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 2016 Tariff Order	Proposed by HUKERI RECS
a) Less than 67 HP:	Fixed Charge Rs.50 per KW/ month of the sanctioned load	Fixed Charge Rs.50 per KW/ month of the sanctioned load
	Energy charge at 950 paise per unit	Energy charge at 1155 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 be 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)**

**Applicable to Temporary Power Supply for all purposes.**

LT 7(a)	Details	Approved Tariff
<b>Temporary Power Supply for all purposes.</b>	<b>Less than 67 HP:</b>	Energy charges at 1000 paise / unit subject to a weekly minimum of Rs.190 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.60 per KW / month
		Energy charges at 1000 paise / unit

### H.T. Categories:

#### **Time of Day Tariff (ToD)**

The Commission decides to continue 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. The details of ToD tariff are indicated under the respective tariff category.

#### **8. HT1- Water Supply & Sewerage**

##### **HUKERI RECS'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 2016 Tariff Order	Proposed Tariffs by HUKERI RECS
Demand charges	Rs.190 / kVA of billing demand / month	Rs.190 / kVA for billing demand / month
Energy charges	450 paise per unit	655 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
22.00 Hrs to 06.00 Hrs next day	(-) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 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
22.00 Hrs to 06.00 Hrs next day	(-) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 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	Approved Tariff for HT 1
Demand charges	Rs.200 / kVA of billing demand / month
Energy charges	485 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 Hrs	(+) 100 paise per unit
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 paise per unit
22.00 Hrs to 06.00 Hrs next day	(-) 100 paise per unit

**9. HT2 (a) – HT Industries & HT 2(b) – HT Commercial****HUKERI RECS's Proposal:**

The existing and proposed tariff are as given below:

**HT – 2 (a) HT Industries**  
**Applicable to all areas of HUKERI RECS**

Details	Existing tariff as per Tariff Order 2016	Proposed Tariff by HUKERI RECS
Demand charges	Rs. 180 / kVA of billing demand / month	Rs. 180 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	620 paise per unit	825 paise per unit
(ii) For the balance units	660 paise per unit	865 paise per unit

**Railway traction and Effluent Plants under HT2 (a).**

Details	Existing tariff as per Tariff order 2016	Tariff Proposed by HUKERI RECS
Demand charges	Rs. 190 / kVA at billing demand / month	Rs. 190 / kVA of billing demand / month
Energy charges	590 paise per unit for all the units	795 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
22.00 Hrs to 06.00 Hrs next day	(-) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 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
22.00 Hrs to 06.00 Hrs next day	(-) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit

**Commission's Decision:****Approved Tariff for HT – 2 (a):**

As discussed earlier in this chapter, the Commission approves the tariff for HT 2(a) category as below:

**i) Approved Tariff for HT2(a)****Applicable to all areas under HUKERI RECS**

Details	Tariff approved by the Commission
Demand charges	Rs.200 / kVA of billing demand / month
Energy charges	
For the first one lakh units	660 paise/ unit
For the balance units	680 paise/ unit

As discussed earlier in this Chapter, the approved ToD tariff to HT2(a)(i) & (ii) tariff.

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 Hrs	(+) 100 paise per unit
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	(-) 100 paise per unit

**ii) Railway Traction & Effluent Treatment Plants under both HT2(a)**

Details	Tariff approved by the Commission
Demand charges	Rs. 210 / kVA of billing demand / month
Energy charges	620 paise / unit for all the units

**10. HT-2 (b) HT Commercial****HUKERI RECS'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 HUKERI RECS**

Details	Existing tariff as per Tariff Order 2016	Tariff Proposed by HUKERI RECS
Demand charges	Rs.200 / kVA of billing demand / month	Rs.200 / kVA of billing demand / month
Energy charges		
(i) For the first two lakh units	785 paise per unit	990 paise per unit
(ii) For the balance units	815 paise per unit	1020 paise per unit

**Existing ToD Tariff for HT-2(b)**

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
22.00 Hrs to 06.00 Hrs next day	(-) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 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
22.00 Hrs to 06.00 Hrs next day	(-) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit

**Commission's Decision**

The Commission notes the issue raised by the consumer of Diagnostic centres and their request to classify under HT-2(c)(ii) category. The Commission examined the issue in detail and decided to classify the HT power supply to Diagnostic centres running on commercial lines under HT-2(b) category.

As discussed earlier in this chapter, the Commission approves the following tariff for HT 2 (b) consumers:

**Approved tariff for HT – 2 (b) - HT Commercial - Applicable to all areas of HUKERI RECS**

Details	Tariff approved by the Commission
Demand charges	Rs.220 / kVA of billing demand / month
Energy charges	
(i) For the first two lakh units	825 paise per unit
(ii) For the balance units	835 paise per unit

**Note: The above tariff under HT2 (b) is not applicable for construction of new industries. Such power supply shall be availed only under the temporary category HT5.**

**Approved 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	(+) 100 paise per unit
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 paise per unit
22.00 Hrs to 06.00 Hrs next day	(-) 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 Institutions and Hostels of all Educational Institutions**

Details	Existing tariff as per Tariff Order 2016	Tariff Proposed by HUKERI RECS
Demand charges	Rs.180 / kVA of billing demand / month	Rs.180 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	600 paise per unit	805 paise per unit
(ii) For the balance units	650 paise per unit	855 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 2016	Tariff Proposed by HUKERI RECS dated 30.11.2016
Demand charges	Rs. 180 / kVA of billing demand / month	Rs. 180 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	700 paise per unit	905 paise per unit
(ii) For the balance units	750 paise per unit	955 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
22.00 Hrs to 06.00 Hrs next day	(- ) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 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
22.00 Hrs to 06.00 Hrs next day	(- ) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 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	Approved Tariff
Demand charges	Rs.200/ kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	640 paise per unit
(ii) For the balance units	680 paise per unit

**Approved tariff for HT – 2 (c) (ii)**

**Applicable to Hospitals/Educational Institutions other than those covered under HT2(c) (i)**

Details	Approved Tariff
Demand charges	Rs.200 / kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	740 paise per unit
(ii) For the balance units	780 paise per unit

As discussed earlier in this Chapter approved ToD for Tariff to 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	(+) 100 paise per unit
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 paise per unit
22.00 Hrs to 06.00 Hrs next day	(-) 100 paise per unit

**12. HT-3(a) Lift Irrigation Schemes under Government Departments / Government owned Corporations/ Lift Irrigation Schemes under Pvt ./Societies:**

The existing and proposed tariff are given below:

**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 2016	Proposed charges by HUKERI RECS
Energy charges/ Minimum charges	200 paise / unit Subject to an annual minimum of Rs.1120 per HP / annum	405 paise / unit Subject to an annual minimum of Rs. 1120 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 2016	Proposed by HUKERI RECS
Fixed charges	Rs. 40 / HP / Month of sanctioned load	Rs. 40 / HP / Month of sanctioned load
Energy charges	200 paise / unit	405 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 2016	Proposed by HUKERI RECS
Fixed charges	Rs.20 / HP / Month of sanctioned load	Rs.20 / HP / Month of sanctioned load
Energy charges	200paise / unit	405 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 Govt. Dept. / Govt. owned Corporations**

Energy charges / Minimum charges	225 paise/ unit subject to an annual minimum of Rs. 1240 per HP / annum
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**Approved tariff for HT 3 (a) (ii)****Applicable to Private LI Schemes and Lift Irrigation Societies fed through express / urban feeders**

Fixed charges	Rs.50 / HP / Month of sanctioned load
Energy charges	225 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)**

Fixed charges	Rs.30 / HP / Month of sanctioned load
Energy charges	225 paise / unit

**13. HT3 (b) Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Coconut & Arecanut Plantations:****HUKERI RECS's Proposal:**

The existing and the proposed tariff are given below:

**HT3 (b)- Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Coconut & Arecanut Plantations:**

Details	Existing Tariff Order 2016	Proposed tariff by HUKERI RECS
Energy charges / minimum charges	400 paise / unit subject to an annual minimum of Rs.1120 per HP of sanctioned load	605 paise / unit subject to an annual minimum of Rs.1120 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	Approved Tariff
Energy charges / minimum charges	425 paise / unit subject to an annual minimum of Rs.1240 per HP of sanctioned load

**14. HT4- Residential Apartments/ Colonies:****HUKERI RECS's Proposal:**

The existing and the proposed tariff for this category are given below:

**Existing and proposed tariff for HT – 4 - Residential Apartments/ Colonies****HT – 4 Applicable to all areas.**

Details	Existing Tariff Order 2016	Tariff Proposed by HUKERI RECS
Demand charges	Rs.110 / kVA of billing demand	Rs.110 / kVA of billing demand
Energy charges	585 paise per unit	790 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**

Demand charges	Rs.120 / kVA of billing demand
Energy charges	620 paise/ unit

**15. TARIFF SCHEDULE HT-5****HUKERI RECS's Proposal:**

The existing and the proposed tariffs are given below:

**HT – 5 – Temporary supply**

<b>67 HP and above:</b>	<b>Existing</b>	<b>Proposed</b>
Fixed charges / Demand Charges	Rs.220/HP/month for the entire sanction load / contract demand	Rs.220/HP/month for the entire sanction load / contract demand
Energy Charge	950 paise / unit (weekly minimum of Rs.170/- per KW is not applicable)	1155 paise / unit (weekly minimum of Rs.170/- per KW is not applicable)

**Commission's Views/Decisions:****TARIFF SCHEDULE HT-5**

- (i) As approved in the Commission's Tariff Order dated 6<sup>th</sup> May, 2013, this Tariff is applicable to 67 HP and above 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 and power projects and 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**

<b>67 HP and above:</b>	<b>Approved Tariff</b>
Fixed Charges / Demand Charges	Rs.240 /HP/month for the entire sanction load / contract demand
Energy Charges	1000 paise / unit

The Approved Tariff schedule for FY18 is enclosed in **Annex – IV** of this Order.

#### 4.6 Wheeling and Banking Charges:

The Commission in its preliminary observations had directed HRECS to furnish wheeling charges applicable for FY-18 along with working details.

In response to the observations made by the Commission, HUKERI RECS has stated that there are no consumers who are eligible or willing to wheel electricity at 11 kV level and therefore it would be unnecessary to determine the wheeling charges. Since HRECS has not proposed wheeling charges and has also not provided the segregation of cost between distribution and retail supply business, the Commission has segregated the ARR between distribution business and retail supply business in the same proportion as in HESCOM. Further, the allocation of loss is based on the energy flow diagram furnished for FY18 by HRECS. As such the wheeling charges for HRECS is as indicated below:

##### 4.6.1 Wheeling within HUKERI RECS Area:

**The Wheeling charges to each voltage level are worked out as under:**

Wheeling Charges

	Paise/unit
HT-network	20.62
LT-network	48.12

In addition to the above, the following technical losses are applicable to all open access/wheeling transactions:

Loss allocation	% loss
HT	6.75
LT	6.79

**Note: Total loss is allocated to HT, LT & Commercial loss based on energy flow diagram furnished by HUKERI RECS.**

The actual wheeling charges payable (after rounding off) will depend upon the point of injection & point of drawal as under:

Paise/unit

Injection point →	HT	LT
Drawal point ↓		
HT	21 (6.75%)	69 (13.54%)
LT	69 (13.54%)	48 (6.79%)

**Note: Figures in brackets are applicable loss**

The wheeling charges as determined above are applicable to all the open access or wheeling transactions for using the HUKERI RECS network, except for energy transmitted or wheeled from Renewable sources to the consumers within the State.

#### 4.6.2 WHEELING OF ENERGY USING TRANSMISSION NETWORK OR NETWORK OF MORE THAN ONE LICENSEE

In case the wheeling of energy [other than RE sources wheeling to consumers in the State] involves usage of Transmission network or network of more than one licensee, the charges shall be as indicated below:

- i. If only transmission network is used, transmission charges 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. Wheeling Charges of the ESCOM where the power is drawn shall be shared equally among the ESCOMs whose networks are used.

#### Illustration:

If a transaction involves transmission network & HUKERI RECS's network and 100 units is injected, then at the drawal point the consumer is entitled for 83.55 units, after accounting for Transmission loss of 3.37% & HUKERI RECS technical loss of 13.54%.

The Transmission charge in cash as determined in the Transmission Tariff Order shall be payable to KPTCL & Wheeling charge of 69 paise per unit shall be payable to HUKERI RECS. In case more than one ESCOM is involved the above 69 paise shall be shared by all the ESCOMs involved.

- iii. If ESCOMs' network only is used, 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:**

If a transaction involves injection to HESCOM's network & drawal at HUKERI RECS's network, and 100 units is injected, then at the drawal point the consumer is entitled for 86.46 units, after accounting HUKERI RECS's technical loss of 13.54%.

The Wheeling charge of 69 paise per unit applicable to HUKERI RECS shall be equally shared between HUKERI RECS & HESCOM.

#### **4.6.3 CHARGES FOR WHEELING OF 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) wheeling energy to consumers in the State shall be applicable.

#### **4.6.4 CHARGES FOR WHEELING ENERGY BY RE SOURCES FROM THE STATE TO A CONSUMER/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 4.6.1 and 4.6.2 of this Order shall be applicable. For Captive RE generators including solar power projects opting for RECs, the wheeling and banking charges as specified in the Orders issued by the Commission from time to time shall be applicable.



## BANKING CHARGES AND ADDITIONAL SURCHARGE

The Commission notes that all the ESCOMs except CESC, have filed separate petitions seeking modifications to the existing banking facility. Further, all the ESCOMs have filed petitions separately to introduce additional surcharge. The above issues pertaining to banking facility and additional surcharge are being dealt separately by the Commission in those petitions. Till such time the Orders are passed in those petitions, the existing banking facility shall be continued and no additional surcharge is payable.

### 4.7 CROSS SUBSIDY SURCHARGE [CSS]:

The Commission in its preliminary observations had directed HRECS to furnish CSS applicable for FY-18 along with working details.

In response to the observations made by the Commission, HUKERI RECS has stated that there are no consumers who are eligible or willing to wheel electricity at 11 kV level and therefore it would be unnecessary to determine the CSS.

As the Commission has determined a common cross subsidy surcharge as per the tariff policy 2016, for all the ESCOMs, the same shall be applicable to Hukeri RECS also. As such the applicable cross subsidy surcharge is indicated below:

#### Paise/unit

Particulars	Category Tariff	Average Cost of supply @ 66 kV and above level*	Average Cost of supply at HT level**	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
1	2	3	4	8	9	10
HT-1 Water Supply	536.76	410.53	445.45	126.23	91.32	107.35
HT-2a Industries	762.23	410.53	445.45	351.70	316.79	152.45
HT-2b Commercial	962.09	410.53	445.45	551.56	516.64	192.42
HT-2 (C)(i)	735.84	410.53	445.45	325.31	290.40	147.17
HT-2 (C)(ii)	819.70	410.53	445.45	409.17	374.25	163.94

HT3 (a)(i) Lift Irrigation	225.48	410.53	445.45	-185.05	-219.97	45.10
HT3 (a)(ii) Lift Irrigation	318.06	410.53	445.45	-92.47	-127.38	63.61
HT3 (a)(iii) Lift Irrigation	262.67	410.53	445.45	-147.86	-182.77	52.53
HT3 (b) Irrigation & Agricultural Farms	426.55	410.53	445.45	16.02	-18.90	85.31
HT-4 Residential Apartments	662.71	410.53	445.45	252.18	217.27	132.54
HT5 Temporary	1642.58	410.53	445.45	1232.05	1197.14	328.52

\*Includes weighted average power purchase costs of 347.33Ps/unit, transmission charges of 51.09/unit and transmission losses of 3.37%.

\*\* Includes weighted average power purchase costs of 347.33Ps/unit, transmission charges of 51.09Ps/unit and transmission losses of 3.37%, HT distribution network / wheeling charges of 20.81Ps/unit and HT distribution losses of 3.77%.

Note: The carrying cost of regulatory asset for the current year is zero.

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 under:

### Cross Subsidy Surcharge for FY18

Paise/unit

Particulars	66 kV & above	HT level-11 kV/33kV
HT-1 Water Supply	107	91
HT-2a Industries	152	152
HT-2b Commercial	192	192
HT-2 (C) (i)	147	147
HT-2 (C) (ii)	164	164
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	16	0
HT-4 Residential Apartments	133	133
HT5 Temporary	329	329

Note: wherever CSS is negative, 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 HUKERI RECS. 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.

#### **4.8 Other Issues:**

##### **4.8.1 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).

#### **4.9 Other tariff related issues:**

##### **i) Rebate for use of Solar Water Heater:**

While some of the ESCOMs have requested to discontinue the Solar rebate to consumers, the consumers have requested to increase the Solar Rebate. Since the use of Solar Water Heaters is advantageous to both the ESCOMs and the consumers, the Commission has decided 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.

**ii) Prompt payment incentive:**

The Commission had approved a prompt payment incentive at the rate of 0.25% of the bills amount (i) in all cases of payment through ECS; and (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 same.

**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.

**iv) Power Factor:**

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 has decided 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 Order had approved interest on delayed payment of bills at 12% per annum. The Commission decides to continue the same 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 01.10.2007 and the same has been notified in the Official Gazette on 11.10.2007. The payment of security deposit shall be regulated accordingly, pending orders of the Hon'ble High Court in WP No.18215/2007.

**viii) Mode of Payment by consumers:**

The Commission, in its previous Order had approved bill payment in cash/cheque/DD of amounts up to and inclusive of Rs.10,000/- and payment of amounts above Rs.10,000 to be made only through cheque. The consumers can also make payment of power bills through Electronic Clearing System(ECS)/ Credit card/ online E-payment up to the limit prescribed by the

RBI, RTGS / NEFT / on line E-Payment / Digital mode of payments as per the guidelines issued by the RBI wherever such facility is provided by the Licensee in respect of bill payments up to the limit prescribed by the RBI.

**ESCOM in their application had proposed to consider the collection of power supply bills above One lakh rupees, through RTGS/NEFT. The Commission has examined the request and decides to approve the payment of power supply bills above One lakh rupees, through RTGS/NEFT, at the option of the consumer.**

#### **4.10 Cross Subsidy Levels for FY18:**

The Hon'ble Appellate Tribunal for Electricity (ATE), in its order dated 8<sup>th</sup> 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  $\pm 20\%$  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 HUKERI RECS and the cross subsidy thereon, is Indicated in **ANNEXURE- III** of this Order. It is the Commission's endeavour to reduce the cross subsidies gradually as per the Tariff policy.

#### 4.11 Effect of Revised Tariff:

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 observes that the ESCOMs have filed their applications for revision of tariff on 30<sup>th</sup> November, 2016. As the tariff revision is effective from 1<sup>st</sup> April, 2017 onwards, the ESCOMs would be recovering revenue as per the revised tariff for eleven months of the Financial Year (Except in case where the billing cycle is lesser than a month).

A statement indicating the proposed revenue and approved revenue is enclosed vide **Annexure-I** and detailed tariff schedule is enclosed vide **Annexure II**.

#### 4.12 Summary of the Tariff Order:

- ❖ The Commission has approved an ARR of Rs.15538.74 Lakhs for FY18, which includes the deficit for FY16 of Rs.747.55 Lakhs with a net gap in revenue of Rs.2511.85 Lakhs as against HUKERI RECS's proposed ARR of Rs.18413.34 Lakhs.
- ❖ The Commission has allowed recovery of entire gap in revenue with additional revenue of Rs.2511.85 Lakhs on Tariff Revision as against the additional revenue of Rs.3835.22 Lakhs proposed by HUKERI RECS for FY18.
- ❖ HUKERI RECS in its filing dated 30.11.2016 had proposed an increase of 205 paise per unit for all categories of consumers resulting in average increase in retail supply tariff by 26.31%. The Commission has approved an average increase of 48 paise per unit. The average increase in retail supply tariff of all the consumers except IP sets for FY18 is 8%.

- ❖ The Commission has allowed for recovery of additional revenue partly by increase in fixed charges ranging from Rs.5 per KW / HP / KVA to Rs.20 per KW/HP/KVA.
- ❖ The Commission has allowed for recovery of additional revenue partly by increase in the energy charges in the range of 15 paise per unit to 50 paise per unit.
- ❖ The increase in the energy charge for domestic category up to 30 to 100 units is 25/30 paise per unit.
- ❖ The increase in the LT industries category is in the range of 15 paise per unit to 20 paise per unit and for other categories, the increase is in the range of 20 paise per unit to 50 paise per unit.
- ❖ In order to increase the sales under HT industry and HT commercial category, the increase made in energy charges in 2<sup>nd</sup> slab is 20 paise per unit as against the 40 paise per unit increase under 1<sup>st</sup> slab for consumption of 1 lakh / 2 lakh units per month.
- ❖ Time of the day tariff which was made mandatory in the previous Tariff Orders for installations under HT2 (a), HT2 (b) and HT2(c) with contract demand of 500KVA and above is continued in this Order.
- ❖ The Commission has introduced Time of Day billing for morning peak period from 06.00 hours to 10.00 hours in respect of LT/ HT consumers in addition to the prevailing ToD billing.
- ❖ A rebate of 50 paise per unit is allowed for Effluent Treatment Plant installed within the industrial premises under HT-2(a) tariff schedule.
- ❖ Green tariff of additional 50 paise per unit over and above the normal tariff which was introduced a few year 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 decided to impose penalty up to Rs.one lakh per sub division on ESCOMs who fail to conduct Consumer Interaction Meetings at least once in three months and such penalty would be payable by the concerned officers of the ESCOMs.

#### **4.13 Commission's Order**

- 1. In exercise of the powers conferred on the Commission under Sections 62, 64 and other provisions of the Electricity Act, 2003, the Commission hereby determines and notifies the retail supply tariff of HUKERI RECS for FY18 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 1<sup>st</sup> April 2017.**
- 3. This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission at Bengaluru this day, the 11<sup>th</sup> April, 2017.**

Sd/-  
**(M.K.Shankaralinge Gowda)**  
Chairman

Sd/-  
**(H.D. Arun Kumar)**  
Member

Sd/-  
**(D.B. ManivalRaju)**  
Member