

TARIFF REVISION PROPOSAL

The tariff proposal for the year FY-21 is detailed in the foregoing paragraphs.

Revenue Deficit for FY-21:

HESCOM has arrived at the revised Net Annual Revenue Requirement of Rs. 9,954.62 Crs for FY-21 as explained in previous para's. For the purpose of arriving at the revenue deficit for FY-21, HESCOM has considered the revenue at the tariff rates approved in Tariff Order-2019. The calculations of revenue projection for FY-21 with existing tariff and proposed tariff are shown in Format-D21.

Revenue Gap for FY-21:

Rs. in Crs.

Sl No	Particulars	Amount
1	ARR for FY-21	9,195.13
2	Add deficit for FY-19	759.49
3	Net ARR for FY-21	9,995.62
4	ERC for FY-21 @ Current Tariff	9,270.67
5	Gap for FY-21 (3-4)	683.95

BRIDGING THE REVENUE GAP :

HESCOM proposes to bridge the Gap by Tariff revision for FY-21 as noted below and requests the Hon'ble Commission to consider the same.

Hike requirement for all categories :

- a. Total Gap - Rs. **683.95** Crs.
- b. Sales - Total sales of 13,230.18 (Mu)
- c. Hike required - Average increase of Rs.**0.52**/unit on total sales of 13,230.18 MU.
- HESCOM is proposing recovery of additional revenue :

A) Partly by uniform increase in fixed charges of Rs. 10 per KW/HP/KVA per month for all categories.

B) Partly by uniform increase in Energy Charges Rs.0.45/unit on total sales of 13,230.18 MU.

On the basis of the above analogy, HESCOM has outlined the existing and proposed FC and per unit charges across all categories.

LT-1 (B|K|)

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Energy charges (including recovery towards service main charges)	707 Paise / Unit Subject to a monthly minimum of Rs.45 per installation per month.	752 Paise / Unit Subject to a monthly minimum of Rs.55 per installation per month.

LT-2a (Domestic Category):

LT-2a (i) : Applicable to areas coming under City Municipal Corporations and all areas under Urban Local Bodies:

Energy charges per unit per month.

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Fixed Charges per Month	For the first KW: Rs.60/-	For the first KW Rs.70
	For every additional KW Rs.70/-	For every additional KW Rs.80
Energy Charges 0-30 units (life line Consumption)	Upto 30 units: 370 paise/unit	0 to 30 units: 415 paise /unit
Energy Charges exceeding 30 units per month	31 to 100 units: 520 paise/unit	31 to 100 units 565 paise / unit
	101 to 200 units: 675 paise/unit	101 to 200 units: 720 paise/unit
	Above 200 units: 780 paise/unit	Above 200 units: 825 paise /unit

LT-2a (ii) : Applicable to Areas under Village Panchayats:

Energy charges per unit per month.

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Fixed charges per Month	For the first KW: Rs.45	For the first KW Rs.55
	For every additional KW Rs. 60	For every additional KW Rs.70
Energy Charges 0-30 units (life line Consumption)	Upto 30 units: 360 paise/unit	0 to 30 units: 405 paise /unit
Energy Charges exceeding 30 Units per month	31 to 100 units: 490 paise/unit	31 to 100 units: 535 paise / unit
	101 to 200 units: 645 paise/unit	101 to 200 units: 690 paise /unit
	Above 200 units: 730 paise/unit	Above 200 units: 775 paise /unit

LT-2b (Private professional education institutions):

LT-2b (i) :Applicable to areas coming under City Municipal Corporations and all areas under Urban Local Bodies:

Energy charges per unit per month.

Details	Existing as per 2019 Tariff	Proposed by HESCOM
Fixed Charges per Month	Rs.75 per KW subject to a minimum of Rs.100 per Month	Rs.85 Per KW subject to a minimum of Rs.110 per month
Energy Charges	0-200 units: 690 paise/unit	For the first 200 units: 735 paise per unit
	Above 200 units: 815 paise/unit	For the balance units: 860 paise per unit

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

Energy charges per unit per month.

Details	Existing as per 2019 Tariff	Proposed by HESCOM
Fixed Charges per Month	Rs.65 per KW subject to a minimum of Rs.85 per Month	Rs.75 per KW subject to a minimum of Rs.85 per
Energy Charges	0-200 units: 635 paise/unit	For the first 200 units:680 paise per unit
	Above 200 units: 760 paise/unit	For the balance units:805 paise per unit

LT-3 (Commercial category):

LT-3 (i) : Applicable to areas coming under City Municipal Corporations and all areas under Urban Local Bodies:

Energy charges per unit per month.

Details	Existing as per 2019 Tariff	Proposed by HESCOM
Fixed charges per Month	Rs.80 per KW	Rs.90 per KW
Energy Charges	For the first 50 units:800 paise/unit	For the first 50 units: 845 paise per unit
	For the balance units: 900 paise/unit	For the balance units: 945 paise per unit

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

Details	Existing as per 2019 Tariff	Proposed by HESCOM
Fixed charges	Rs.95 per KW	Rs.105 per KW
Energy Charges	For the first 50 units: 800 paise /unit	For the first 50 units:845 paise per unit
	For the balance units: 900 paise/unit	For the balance units:945 paise per unit

LT-3 (ii) : Applicable to Areas under Village Panchayats:
Energy charges per unit per month.

Details	Existing as per 2019 Tariff	Proposed by HESCOM
Fixed Charges per Month	Rs.70 per KW	Rs.80 per KW
Energy Charges	For the first 50 units: 750 paise per unit	For the first 50 units:795 paise per unit
	For the balance units: 850 paise per unit	For the balance units:895paise per unit

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

Details	Existing as per 2019 Tariff	Proposed by HESCOM
Fixed Charges per Month	Rs. 85 per KW	Rs.95 per KW
Energy Charges	For the first 50 units: 750 paise per unit	For the first 50 units:795 paise per unit
	For the balance units: 850 paise per unit	For the balance units:895 paise per unit

LT-4a (Agricultural IP sets below 10HP):

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Fixed charges per Month	Nil	Nil
Energy charges	CDT (Commission Determined Tariff): 649 paise per unit	CDT of 694 paise per unit

LT-4b (Agricultural IP sets above 10HP):

Energy charges per unit per month.

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Fixed charges per	Rs. 70/- per HP	Rs.80 per HP
Energy charges for the entire	350 paise/unit	395 paise per unit

LT-4c (Private Horticulture, Coffee / Tea plantations):

LT-4c (i) : Applicable to Private Horticultural Nurseries, Coffee and Tea plantations of sanctioned load of 10 HP & below:

Energy charges per unit per month.

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Fixed charges per Month	Rs.60 per HP	Rs.70 per HP
Energy charges for the entire consumption	350 paise / unit	395 paise per unit

LT-4c (ii) : Applicable to Private Horticultural Nurseries, Coffee and Tea plantations of sanctioned load above 10 HP:

Energy charges per unit per month.

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Fixed charges per Month	Rs. 70 per HP	Rs.80 per HP
Energy charges for the entire consumption	350 paise/unit	395 paise per unit

LT-5 (a) (Industrial Category):

Applicable to all the areas under municipal corporation.

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Fixed charges per Month	i) Rs.55 per HP for 5 HP & below ii) Rs.60 per HP for above 5 HP & below 40 HP iii) Rs.80 per HP for 40 HP & above but below 67 HP iv) Rs.140 per HP for 67 HP & above	i) Rs. 65 per HP for 5 HP & below ii) Rs. 70 per HP for above 5 HP & below 40 HP iii) Rs. 90 per HP for 40 HP & above but below 67 HP iv)Rs. 150 per HP for 67 HP & above

Demand based Tariff (optional)

Details	Description	Existing Tariff as per 2019 Tariff Order	Proposed by HESCOM
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.75 per KW of billing demand	Rs.85 per KW of billing demand
	40 HP and above but less than 67	Rs.105 per KW of billing demand	Rs.115 per KW of billing demand
	67 HP and above	Rs.190 per KW of billing demand	Rs.200 per KW of billing demand

Energy charges per unit per month.

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
For the first 500 units	545 paise/unit	590 paise/ unit
For next 500 units	645 paise/ unit	690 paise /unit
For the balance unit	675 paise/ unit	720 paise /unit

LT-5 (b) (Industrial Category):

Applicable to all the areas other than those covered under LT-5(a)

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Fixed Charges per Month	i) Rs.45 per HP for 5 HP & below ii) Rs.55 per HP for above 5 HP & below 40 HP iii) Rs. 75 per HP for 40 HP & above but below 67 HP iv)Rs.125 per HP for 67 HP & above	i)Rs.55 per HP for 5 HP & below ii) Rs.65 per HP for above 5 HP & below 40 HP iii) Rs.85 per HP for 40 HP & above but below 67 HP iv)Rs.135 per HP for 67 HP & above

Demand based Tariff (optional)

Details	Description	Existing Tariff as per 2019 Tariff Order	Proposed by HESCOM
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.70 per KW of billing demand	Rs.80 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.100 per KW of billing demand	Rs.110 per KW of billing demand
	67 HP and above	Rs.180 per KW of billing demand	Rs.190 per KW of billing demand

ii) Energy Charges

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
For the first 500 units	535 paise/ unit	580 paise/ unit
For the next 500 units	630 paise/ unit	675 paise/ unit
For the balance units	660 paise/unit	705 paise/unit

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

Energy charges per unit per month.

Details	Existing as per 2019 Tariff	Proposed by HESCOM
Fixed charges per Month	Rs.75 /HP/month	Rs.85/HP/month
Energy charges	460 paise/unit	505 paise/unit

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

Energy charges per unit per month.

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Fixed charges per Month	Rs.90 /KW/month	Rs.100/KW/month
Energy charges without LED bulbs	625 paise/unit	670 paise/unit
Energy charges for LED / Induction, lighting	525 paise/unit	570 paise/unit

LT-6 (c) Electric Vehicle Charging Stations (For Both LT & HT)

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM	
Under LT Supply	Fixed charges per KW	Rs.60 /KW/month	Rs.70 /KW/month
Under HT Supply	DC per KVA	Rs. 190 /KVA/month	Rs. 200 /KVA/month
	Energy charges per KWH for both LT & HT)	500 paise/unit	545 paise/unit

LT-7 (a) : Applicable to temporary power supply for all purposes. Energy charges per unit per month.

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Less than 67 HP:	Energy charges at 1060 paise / unit subject to a weekly minimum of Rs.210 per KW of the sanctioned load.	Energy charge at 1105 paise per unit subject to a weekly minimum of Rs.220 per KW of the sanctioned load.

LT-7 (b) : Applicable to Hoardings AD Boards etc., on permanent connection basis Energy charges per unit per month.

Details	Existing as per 2019 Tariff Order	Proposed by HESCOM
Less than 67 HP:	Fixed Charges at Rs.85 per KW / month	Fixed Charge Rs.95 per KW/ month of the sanctioned load.
	Energy charges at 1060 paise / unit	Energy charge at 1105 paise per unit

HT-1 (Water Supply Category):

Energy charges per unit per month.

Details	Existing tariff as per 2019 Tariff Order	Proposed by HESCOM
Demand charges	Rs.210 / kVA of billing demand / month	Rs.220 / kVA for billing demand / month
Energy charges	520 paise/ unit	565 paise per unit

HT-2a (Industrial Category):

Energy charges per unit per month.

Details	Existing tariff as per Tariff Order 2019	Proposed by HESCOM
Demand charges	Rs.210 / kVA of billing demand / month	Rs.220 / kVA of billing demand / month
Energy charges (i) For the first one lakh units	695 paise/ unit	740 paise per unit
(ii) For the balance	720 paise/ unit	765 paise per unit

Railway traction under HT2 (a).

Details	Existing tariff as per Tariff order 2019	Proposed by HESCOM
Demand charges	Rs. 220 / kVA of billing demand / month	Rs.230 / kVA of billing demand / month
Energy charges	620 paise / unit for all the units	665 paise 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 2019	Proposed by HESCOM
Demand charges	Rs.220/ kVA of billing demand / month	Rs. 230 / kVA of billing demand / month
Energy charges	660 paise / unit for all the units	705 paise per unit for all the units

HT-2b (Commercial Category):

Energy charges per unit per month.

Details	Existing tariff as per Tariff	Proposed by HESCOM
Demand charges	Rs. 230/ kVA of billing demand / month	Rs.240 / kVA of billing demand / month
Energy charges		
(i) For the first two lakh units	865 paise per unit	910 paise per unit
(ii) For the balance units	875 paise per unit	920 paise per unit

HT-2 c (i) (Hospitals):

Energy charges per unit per month.

Details	Existing tariff as per Tariff Order	Proposed by HESCOM
Demand charges	Rs.210 / kVA of billing demand / month	Rs.220 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	680 paise per unit	725 paise per unit
(ii) For the balance units	720 paise per unit	765 paise per unit

HT-2 c (ii) (Hospitals):

Energy charges per unit per month.

Details	Existing tariff as per Tariff Order 2019	Proposed by HESCOM
Demand charges	Rs.210/ kVA of billing demand / month	Rs. 220 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	780 paise per unit	825 paise per unit
(ii) For the balance units	820 paise per unit	865 paise per unit

HT-3a i (Lift Irrigation & LI Societies): Applicable to LI schemes under Govt., Departments/

Govt., owned Corporations:

Energy charges per unit.

Details	Existing charges as per Tariff Order 2019	Proposed by HESCOM
Energy charges/ Minimum charges	275 paise/ unit subject to an annual minimum of Rs.1480 per HP / annum	320 paise / unit Subject to an annual minimum of Rs.1490 per HP / annum

HT-3a (ii): Applicable to Private LI schemes and Lift Irrigation societies: Connected to

Urban/Express feeders:

Energy charges per unit.

Details	Existing Tariff as per Tariff Order 2019	Proposed by HESCOM
Fixed charges	Rs.70 / HP / Month of sanctioned load	Rs. 80 / HP / Month of sanctioned load
Energy charges	275 paise / unit	320 paise / unit

HT-3a (iii) : Applicable to Private LI schemes and Lift Irrigation societies other than those covered under (ii) above.

Energy charges per unit.

Det ails	Existing Tariff as per Tariff	Proposed by HESCOM
Fixed charges	Rs.50/ HP / Month of sanctioned load	Rs.60 / HP / Month of sanctioned load
Energy charges	275 paise / unit	320 paise / unit

HT-3b (Agricultural, Horticultural farms / nurseries):

Energy charges per unit.

Details	Existing Tariff Order 2019	Proposed by
Energy charges / minimum charges	475 paise / unit subject to an annual minimum of Rs. 1480 per HP of sanctioned load	520 paise / unit subject to an annual minimum of Rs.1490

HT-4 (Residential Apartments): Applicable to areas under City Municipal Corporations:

Energy charges per unit per month.

Details	Existing Tariff Order 2019	Proposed by HESCOM
Demand charges	Rs.130 / kVA of billing demand	Rs.140 / kVA of billing demand
Energy charges	665 paise/ unit	710 paise/ unit

HT-5 Temporary Supply 67 HP and above :

67 HP and above:	Existin	Proposed
Fixed charges / Demand Charges	Rs. 260/HP/month for the entire sanction load / contract	Rs.270/HP/month for the entire sanction load / contract demand
Energy Charge	1060 paise / unit	1105 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 provision of clause 12 of the condition's 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 the condition's of supply Electricity f the Distribution Licensees in the State of Karnataka shall be complied with before service.

In the below table, category wise revenue as per existing tariff and proposed tariff is outlined.

Expected Revenue from charges at Existing Tariff and at Proposed Tariff FY-21

Rs. In Crs.

Sl. No.	Tariff Category	Category	FY-20	FY-21
			Projected Revenue at existing tariff	At proposed Tariff Revenue
1	LT-1	BJ/KJ: =<40 units	141.36	150.37
		BJ/KJ: >40 units	26.55	28.53
2	LT-2 (a)	Domestic / AEH	1144.78	1263.04
3	LT-2 (b)		20.96	22.49
4	LT-3	Commercial	517.01	549.61
5	LT-4 (a)	IP sets - Less than 10 HP - General	4925.61	5267.62
6	LT-4 (b)	Irrigation Pump sets - More than 10 HP	7.85	8.89
7	LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	0.46	0.53
8	LT-5	Industries	322.48	351.96
9	LT-6	Water Supply	200.95	221.47
10	LT-6	Street Lights	106.55	114.53
11	LT-7	Temporary Power Supply	41.92	43.72
LT Total			7456.49	8022.73
12	HT-1	Water Supply	183.53	198.74
13	HT-2 (a)	Industries	1053.38	1117.90
14	HT-2 (b)	Commercial	139.09	146.13
15	HT-2 (c)	Hospitals	88.27	93.61
16	HT-3(a)	Irrigation & LI Societies	157.37	179.62
17	HT-3 (b)	Irrigation & LI Societies	0.04	0.05
18	HT-4	Residential Apartments	11	11.75
19	HT-5	Temporary Power Supply	63.79	66.39
HT Total			1696.48	1814.19
Total			9152.97	9836.92
Other Operating revenues				
20		Reconnection fee (D&R) (61.901, 61.902)	0.58	0.58
21		Service Connection (Supervision Charges) (61.904)	19.31	19.31
22		Delayed payment charges from consumers (61.905)	100.73	100.73
23		Other Receipts from consumers(61.906, 61.600)	5.08	5.08
24		Registration fee towards SRTPV (61.907)	0.08	0.08
25		Facilitation fee towards SRTPV (61.908)	0.02	0.02
26		Supervision Charges for Self Execution works (61.909)	6.36	6.36
27		Maintainance charges for the layouts created by the Developers (61.910)	0.47	0.47
Gross Revenue from Sale of Power (20 to 27)			125.8	125.80
LESS: Rebate and Incentives				
28		Solar Rebate allowed to consumers (78.822)	3.63	3.63
29		Incentives for prompt payment (78.823)	0.4	0.40
30		Time of day (TOD) Tariff Incentive(78.826)	0.65	0.65
Total (28 to 30)			4.68	4.68
31		Provision for withdrawal of Revenue Demand (83.830 to 83.832)	3.42	3.42
Total			8.1	8.10
GRAND TOTAL			9270.67	9954.62

Other tariff related issues:

1) Proposal for Wheeling charges within HESCOM 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 under :

Wheeling Charges

Wheeling charges- paise /unit

Particulars	FY-21
Distribution ARR Rs Crs	1379.10
Sales – Mu	13230.18
Wheeling charges- paise /unit	104.24
	Paise /unit
HT-net work. 30%	31.27
LT- net work. 70%	72.97

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

Loss allocation	% loss
HT	6.09
LT	8.11

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	31.27(6.09%)	104.24(14.20%)
	LT	104.24 (14.20%)	31.27 (8.11%)

The Wheeling charges as determined above are applicable to all the open access/wheeling transactions for using the HESCOM network, except for energy wheeled from NCE sources to the consumers in the State.

2) Fuel Cost adjustment charge :

The Commission in its tariff order dated 30th April 2012 had decided to introduce fuel cost adjustment charges and the Commission has notified the Regulations on 22nd March, 2013. The Fuel Cost adjustment charges have come into effect from the billing quarter beginning from 1st July 2013. Subsequently, the Commission has notified an amendment to these Regulations on 3rd December 2013. Accordingly the Commission is reviewing FAC claims of ESCOMs on quarterly basis and separate are being issued.

3) Cross subsidy Charges:

HESCOM proposes the cross subsidy charges for FY-21 as noted below.

Particulars	HT-1 Water supply	HT-2(a) Industries	HT-2b Commercial	HT- 2©	HT-4 Residential Apartments	HT-5 Temporary
Average Realisation rate paise / unit	576.02	811.32	1005.80	797.93	731.38	1810.08
Cost of supply at 5% margin @ 66 kv and above level	504.26	504.26	504.26	504.26	504.26	504.26
Cross subsidy surcharge paise / unit @ 66 kv & above level	71.76	307.06	501.54	293.67	227.12	1305.82
Cost of supply at 5% margin @HT level	618.42	618.42	618.42	618.42	618.42	618.42
Cross subsidy surcharge paise / unit @HT level	-42.40	192.90	387.38	179.52	112.96	1191.66
80% of Cross subsidy at HT level	-33.92	154.32	309.91	143.61	90.37	953.33
80% of Cross subsidy at 66KV level	57.41	245.64	401.23	234.94	181.69	1044.65

HESCOM proposes for the continuation of the Cross Subsidy Surcharges as Ordered by the Hon'ble Commission in the OP No : 52/2017 to 56/2017 Dtd : 14.05.2018.

Additional Surcharge: HESCOM proposes for the continuation of adoption of uniform Additional surcharge across the State for FY-21, which will be worked by the Hon'ble Commission by considering the total fixed cost of all the ESCOMs.

Green Tariff : HESCOM proposes for the continuation of Green Tariff as stipulated in the Tariff Order-2012.