KARNATAKA ELECTRICITY REGULATORY COMMISSION

TARIFF ORDER 2023

OF

CESC

ANNUAL PERFORMANCE REVIEW FOR FY22

&

APPROVAL OF REVISDED ANNUAL REVENUE REQUIREMENT FOR FY24

&

REVISION OF RETAIL SUPPLY TARIFF FOR FY24

12th May, 2023

**No. 16 C-1, Miller Tank Bed Area,
Vasanthnagar, Bengaluru-560 052**

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C O N T E N T S

LIST OF ANNEXURES

LIST OF TABLES

ABBREVIATIONS	
ABT	Availability Based Tariff
AEH	All Electric Home
A & G	Administrative & General Expenses
ARR	Annual Revenue Requirement
ATE	Appellate Tribunal for Electricity
BBMP	Bruhat Bangalore Mahanagara Palike
BDA	Bangalore Development Authority
BST	Bulk Supply Tariff
BWSSB	Bangalore Water Supply & Sewerage Board
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
CEA	Central Electricity Authority
CESC	Chamundeshwari Electricity Supply Corporation
CPI	Consumer Price Index
CWIP	Capital Work in Progress
DA	Dearness Allowance
DCB	Demand Collection & Balance
DPR	Detailed Project Report
EA	Electricity Act
EC	Energy Charges
ERC	Expected Revenue From Charges
ESAAR	Electricity Supply Annual Accounting Rules
ESCOMs	Electricity Supply Companies
FA	Financial Adviser
FKCCI	Federation of Karnataka Chamber of Commerce & Industry
FR	Feasibility Report
FoR	Forum of Regulators
FY	Financial Year
GESCOM	Gulbarga Electricity Supply Company
GFA	Gross Fixed Assets
GoI	Government Of India
GoK	Government Of Karnataka
GRIDCO	Grid Corporation
HESCOM	Hubli Electricity Supply Company
HP	Horse Power
HRIS	Human Resource Information System
ICAI	Institute of Chartered Accountants of India
IFC	Interest and Finance Charges
IW	Industrial Worker
IP SETS	Irrigation Pump Sets
KASSIA	Karnataka Small Scale Industries Association
KER Act	Karnataka Electricity Reform Act
KM/Km	Kilometre
KPCL	Karnataka Power Corporation Limited

KPTCL	Karnataka Power Transmission Corporation Limited
kV	Kilo Volts
kVA	Kilo Volt Ampere
kW	Kilo Watt
kWH	Kilo Watt Hour
LDC	Load Despatch Centre
MAT	Minimum Alternate Tax
MD	Managing Director
MESCOM	Mangalore Electricity Supply Company
MFA	Miscellaneous First Appeal
MIS	Management Information System
MoP	Ministry of Power
MU	Million Units
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NFA	Net Fixed Assets
NLC	Neyveli Lignite Corporation
NCP	Non Coincident Peak
NTP	National Tariff Policy
O&M	Operation & Maintenance
P & L	Profit & Loss Account
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
PRDC	Power Research & Development Consultants
R & M	Repairs and Maintenance
ROE	Return on Equity
ROR	Rate of Return
ROW	Right of Way
RPO	Renewable Purchase Obligation
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition System
SERCs	State Electricity Regulatory Commissions
SLDC	State Load Despatch Centre
SRLDC	Southern Regional Load Dispatch Centre
STU	State Transmission Utility
TAC	Technical Advisory Committee
TCC	Total Contracted Capacity
T&D	Transmission & Distribution
TCs	Transformer Centres
TR	Transmission Rate
WPI	Wholesale Price Index
WC	Working Capital

KARNATAKA ELECTRICITY REGULATORY COMMISSION

No.16C-1. Miller Tank Bed Area, Vasanthnagar
BENGALURU - 560 052

Dated 12th May, 2023

In the matter of:

Application of the Chamundeshwari Electricity Supply Corporation Limited, in respect of Annual Performance Review for FY22, Approval of Revised Annual Revenue Requirement for FY24 and Revision of Retail Supply Tariff for FY24, under the Multi Year Tariff framework.

Present:	**Sri P. Ravi Kumar**	……..	**Chairman**
	Shri H.M. Manjunatha	……..	**Member**
	Shri M.D. Ravi	……..	**Member**

O R D E R

The Chamundeshwari Electricity Supply Corporation Ltd. (hereinafter referred to as CESC) is a Distribution Licensee under the provisions of the Electricity Act, 2003. The CESC has filed its application on 30.11.2022 for consideration and orders on the following:

a. To approve the Annual Performance Review (APR) application for the year FY22.

b. There is a deficit of Rs.382.64 Crores for FY22. It is requested to carry forward this gap of Rs.382.64 Crores to FY24.

c. To approve the Expected Revenue from Charges (ERC) for the Second year of Sixth Control Period i.e., for FY24, for the Wires and Retail supply business along with the contents of this Application

d. To approve the deficit of FY-24 of Rs.667.10 Crores.

e. To approve the Annual Revenue Requirement (ARR) for FY-24.

f. To approve the tariff application based on submissions made in the Chapter 1 to Chapter 7 of the present ERC application including upward revision in the Fixed charges and Energy Charges.

g. To approve the tariff increase proposed by CESC for the 2nd (Second) year (FY-24) of the 6th MYT Control period

In exercise of the powers conferred under Sections 62 and 64 and other provisions of the Electricity Act, 2003, the KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006, read with the KERC (Tariff) Regulations, 2000 and other enabling Regulations, as amended from time to time, the Commission has considered the said application and also the views and objections submitted by the consumers and other stakeholders, while passing this Order. The Commission's decisions on various aspects are brought out in the subsequent Chapters of this Order.

CHAPTER – 1

INTRODUCTION

1.0 Profile of Chamundeshwari Electricity Supply Corporation Limited (CESC):

The Chamundeshwari Electricity Supply Corporation Ltd., Mysuru (CESC) is a Distribution Licensee under the provisions of Section 14 of the Electricity Act, 2003 (hereinafter referred to as the Act). The CESC is responsible for purchase of power, distribution and retail supply of electricity to its consumers and also for providing infrastructure for Open Access, Wheeling of energy in its area of operation in the five Districts of the State as indicated below:

1. Mysuru
2. Hassan
3. Mandya
4. Chamarajanagara
5. Kodagu

The CESC is a company registered under the Companies Act, 1956, incorporated on 19th August, 2004. The CESC commenced its operations on **1st April, 2005**, with four districts in its area of operation.

Subsequently, the Madikeri Division (Kodagu District) which was earlier under the MESCOM, was transferred to the CESC with effect from 1st April, 2006.

At present the CESC's area of operations is structured as follows:

O&M Zones	O&M Circles	O&M Divisions
Mysore zone	Mysore Works Circle	VV Mohalla
		NR Mohalla
		Nanjangud
		Hunsur
		K.R. Nagara
	Mysore O&M Circle	Chamarajnagara
		Kollegala
		Madikeri
	Mandya Circle	Mandya
		Pandavapura
		Nagamangala
		Maddur
		KR Pete
Hassan Zone	Hassan Circle	Hassan
		Sakaleshpura
		CR Patna
		Arasikere
		Holenarasipura

The company comprises of 2 O & M Zones, 4 O & M Circles, 18 Divisions and 62 O & M sub-divisions with accounting/non-accounting sections in each of the O&M sub-divisions.

The section offices are the base level offices looking into operation and maintenance of the distribution system in order to provide reliable and quality power supply to the CESC's consumers.

1.1 The CESC at a glance:

The profile of the CESC is as indicated below:

Sl. No.	Particulars (As on 31.03.2022)		Figures
1.	Area	Sq. km.	27772.82
2.	Districts	Nos.	5
3.	Population as per 2011 Census	-	8155369
4.	Zones	Nos.	2
5.	Number of Circles	Nos.	4
6.	Number of Divisions	No.s	18

7.	Number of Sub-Divisions	Nos.	62
8.	Number of Sub-Stations (220, 110 & 66 Kv) (All maintained by KPTCL) except 4 Nos. of 33 Kv Stations)	220 kV 110 kV 66 Kv 33 Kv	17 9 229 04
9	DTCs	Nos.	164018
10.	Fixed Assets	Rs. in Crores	6697.59
11.	HT lines	Ckt. kms	67975.94
12.	LT lines	Ckt. kms	92593.66
13.	HT / LT Ratio		1:1.36
14.	**Total employees strength:**		
A	Sanctioned	Nos.	10406
B	Working	Nos.	6571

1.2 Number of Consumers, Sales in MU to various categories of consumers and details of Revenue for FY22 are as follows:

TARIFF	Consumers	Percen-tage	Sales In Mu	Percen-tage	Revenue In Rs.Crores	Percen-tage
LT1	489662	13.66%	124.39	1.86%	97.22	2.05%
LT2	2150203	60.00%	1117.17	16.71%	789.49	16.61%
LT3	285206	7.96%	317.07	4.74%	346.49	7.29%
LT4	457765	12.77%	2991.6	44.76%	1818.47	38.26%
LT5	49015	1.37%	167.36	2.50%	159.27	3.35%
LT6	58202	1.62%	394.00	5.89%	258.81	5.44%
LT7	90427	2.52%	17.41	0.26%	48.24	1.01%
AUXILARY	248	0.01%	5.45	0.08%	2.89	0.06%
HT	2860	0.08%	1549.75	23.19%	1232.39	25.93%
TOTAL	**3583588**		**6684.20**		**4753.23**	

The CESC has filed its application for undertaking the Annual Performance Review for FY22, Approval of revised Annual Revenue Requirement (ARR) and Revision of Retail Supply Tariff for FY24.

The CESC's application, the objections/views of stakeholders thereon company's replies and the Commission's decisions on the application for the Annual Performance Review for FY22, approval of revised ARR for FY24 and Revision of Retail Supply Tariff for FY24 are discussed in detail in the subsequent Chapters of this Order.

CHAPTER – 2

SUMMARY OF FILING & TARIFF DETERMINATION PROCESS

2.0 Background for Current Filing:

The Commission in its Tariff Order dated 9th June, 2021, had approved the revised ARR for FY22 duly considering the deficit / surplus of FY20, consequent to APR of FY20 and revised Retail Supply Tariff of CESC for FY22 under the MYT Regulations. The CESC, in its present application filed on 30th November, 2022 has sought Annual Performance Review (APR) for FY22 based on the audited accounts, approval of revised ARR for FY24 and Revision of Retail Supply Tariff for FY24.

2.1 Preliminary Observations of the Commission

After a preliminary scrutiny of the application the Commission had communicated its observations to the CESC on 14th December, 2022 which were mainly on the following points:

- Sales Forecast
- Capital Expenditure
- Assessment of IP set consumption
- Distribution Losses
- Power Purchase
- Renewable Purchase Obligation
- Wheeling Charges
- Cross Subsidy Surcharge & Additional Surcharge
- Issues pertaining to items of revenue and expenditure
- Other new proposals
- Compliance to Directives

The CESC has furnished its replies on 26th December, 2022. The replies furnished by the CESC have been considered in the respective Chapters of this Order.

2.2 Acceptance of Applications and Publication of Notices:

The Commission vide its letter dated 27th December, 2022 informed the CESC that, its application filed on 30th November, 2022, for APR of FY22, approval of revised ARR and revision of Retail Supply Tariff for FY24, in the CESC area, has been treated as a petition, in terms of the Tariff Regulations, subject to further verification and validation and directed it to publish a summary of the application in the leading newspapers in the distribution area of CESC, calling for objections, if any, from interested persons.

2.3 Public Hearing Process:

Accordingly, the CESC published the same in the following newspapers:

<table>
<tr><th>Name of the News Paper</th><th>Language</th><th>Date of Publication</th></tr>
<tr><td>Deccan Herald</td><td rowspan="2">English</td><td rowspan="4">30.12.2022
&
31.12.2022</td></tr>
<tr><td>Indian Express</td></tr>
<tr><td>Andolana (Kannada)</td><td rowspan="2">Kannada</td></tr>
<tr><td>Udayavani</td></tr>
</table>

The CESC's application on APR for FY22, Revision of ARR for FY24 and revision of retail supply tariff for FY24, were also hosted on the web-sites of the CESC and the Commission, for the ready reference and information of the stakeholders / general public.

In response to the application of the CESC, the Commission received **10** statements/letters of objections with affidavit. The CESC has furnished its replies to all these objections. The Commission held a Public Hearing on **15.02.2023** at Mysuru. The details of the written/oral submissions made by various stakeholders and the response from the CESC thereon have been discussed in Chapter - 3 and Appendix of this Order.

2.4 Consultation with the State Advisory Committee of the Commission:

The Advisory Committee discussed the proposals of the KPTCL and all the ESCOMs in the State Advisory Committee meeting held on **24th March 2023.** During the meeting the KPTCL and ESCOMs made brief presentations on the important issues in the tariff application filed before the Commission. The Committee discussed various issues involved in the tariff application.

The Members of the Committee made valuable suggestions on the proposals. The Commission has taken note of these suggestions while passing the Order.

CHAPTER – 3

PUBLIC CONSULTATION - SUGGESTIONS/OBJECTIONS & REPLIES

3.1 The Commission has undertaken the process of public consultation, as per the provisions of the Section 64 of the Electricity Act, 2003 and invited suggestions/views/objections from the interested stake-holders and general public, on the application filed by the CESC, in the matter of Annual Performance Review for FY22, Approval of Annual Revenue Requirement and Retail Supply Tariff for FY24.

3.2 In the written submissions filed as well as during the public hearing held on 15th February, 2023, the Stake-holders and the public have raised several objections and made suggestions, on the CESC's Tariff Application. The names of the persons who have filed written objections and made oral submissions are given below:

3.3 List of persons who have filed written objections

Sl. No	Application No.	Name & Address of Objectors
1	CA-01	Sri. Lokaraj, Secretary General, FKCCI, KG Road, Bengaluru – 560 009
2	CA-02	Sri. B. Praveen, Hon.General Secretary, KASSIA, 2/106, 17th Cross, Magadi Chord Road, Vijayanagar, Bengaluru – 560 040
3	CA-03	Sri. K. Ravindra Prabhu, Vice President, KIADB Industrial Area Manufactures' Association, Registered Office: C-39, Hebbal Industrial Estate, Metagalli Post, KRS Road, Mysuru – 570 016
4	CA-04	Sri. K.B. Lingaraju, President, Mysore Chamber of Commerce & Industry (R), No. 54, D.Devaraja Urs Road, Mysuru – 570 001
5	CA-05	The General Secretary, Micro Small & Medium Enterprises Council, No. 1090, Vishnuvardhana Road, Chamarajapuram, Mysore – 570 005
6	CA-06	Sri. Prashanth Kumar M.V, Financial Advisor & Chief Accounts Officer, BWSSB, Cauvery Bhavan, KG Road, Bengaluru – 560 009
7	CB-01	Sri. K. Ravindra Prabhu, Vice President, KIADB Industrial Area Manufactures' Association, Registered Office: C-39,

		Hebbal Industrial Estate, Metagalli Post, KRS Road, Mysuru – 570 016
8	CB-02	The Vice President (Works), JK Tyre & Industries Ltd., KRS Road, Metagalli, Mysuru – 570 016
9	AEB-01	Sri. B.S.N. Shetty and Others
10	AEB-02	Sri. Jogendra Behera, CRO & VP (Regulatory & Market Economics), Indian Energy Exchange Ltd., Plot No. C-001/A/1, 9th Floor, Max Towers Sector 16B, Noida, UP – 201 301

3.4 Presentation by CESC:

In the Public Hearing held on 15.02.2023, the Managing Director CESC made a detailed presentation on the working of CESC and about the tariff proposals made in the tariff application.

Objections by the Participants:

In the public hearing, twenty-four persons attended/ made their oral submissions on the tariff application of the CESC. The list of persons is as under:

Sl. No.	Name and address of the Objectors
1	Suresh Kumar Jain, MSME Council
2	Lingaraju K.B, President Chamber of Commerce and Industry, Mysore
3	Ravindra Prabhu K, Vice President, KIAMA
4	Venkata Cholan, Additional Director, Energy Department,.
5	Annapurna, S.H, Energy Department
6	Lakshmikanth, Small Industries
7	Mahesh, Bharathi Airtel
8	M.N. Chandra Shekar, Prem Engineers
9	H.D Naveen Raj Aras, Mysore Jilla Vidyuth Hitharakshana Vedike (R)
10	Ashwath Narayana, HEL Shivarampete, Mysuru
11	Shridhar HB, Sri Padhma Layout, Bugadhi, Bengaluru
12	Rajesh C , BWSSB
13	Venkatesh S, BWSSB
14	Ventaka Ramu, J.V Electrical
15	Sathyendra, OD, Vice President, VST Tellers and Tractors Ltd
16	Srinivasa Murthy G
17	H.V. Subbegowda, T.P. Vice President, Mysuru
18	Nagaraju B.S, Consumers and Electrical Contractor
19	A M Natesh, Alur Electrical, Mysuru
20	B Nayarayana, Solar Vidyuth
21	Manjuntah, KASSIA

22	Niranjan J.E, NE Enterprises, Mysuru
23	Puttaswami, Consumer
24	Kale Gowda, Vijayanagara, 1st Stage, Mysuru

3.5 The summary of the points raised during the Public Hearing, is as follows:

1. Most of the speakers in the public hearing opposed the proposed tariff hike and requested the Commission not to approve the tariff increase.
2. Small scale industries are facing many problems after the Demonetization, GST and COVID pandemic, about 30% of the industries are closed, more number of industries are at the virtue of closing down and only 40% of the industries are working. Hence to encourage them, the tariff hike should not be done.
3. The 50 paise rebate extended by KERC to the Industries is not implemented effectively. Most of the industries are not aware of this rebate. More awareness and circulars need to be issued. Separate meeting and Consumer's edifying about the amendment is necessary.
4. Fixed Charge (F.C) should be charge on connected load and fixed charges to be included to all the installations including IP sets, BJ/KJ installations, to be collected from the Government.
5. Subsidized category (IP, BJ, KJ): Government should pay subsidy in advance. Industries should not be burdened with the cross subsidy.
6. Fixed Charges for HT-industries – should be zero, as assets are created by them and handed over to CESC, maintenance charges are also paid at 5%.
7. KERC has to safeguard consumers' interest
8. Uninterrupted power supply to be provided to the consumers.
9. Dhobi shop, tailors are categorized under LT-5, but not billed accordingly.
10. Consumer awareness not done properly by CESC.
11. As 100% metering is not done for IP sets, the IP set consumptions data is not correct.
12. No efforts are made by CESC to collect the dues from GoK / Departments / Panchayaths.
13. Not to hike the Tariff and requested to reduce the existing tariff.
14. Interest on loan should not be passed on to the consumers.

15. Separate tariff category has to be provided for MSME sector and it should be 25% less compare to others.
16. Consumer meetings are not held with prior publicity.
17. Software and the Internet service extending by CESC is futile. Advanced technology should be implemented.
18. Expenditure on Capex should be investigated and technical audit to be done.
19. Low cost power to be purchased through Open Access so that power purchase cost is reduced;
20. There are lapses in implementing the Commission's Order by CESC.
21. Huge amount of receivables form the Government departments are burdening the consumers.
22. The Categorization of the services provided to the Data centre under HT-2(a) Industrial Tariff scheduled be allowed.
23. The fixed charges be capped as on the date of installation of SRTPV module.
24. Electrification to be done in respect of the layouts within a month duly providing transformer and supporting materials.
25. The CESC officers/Engineers are not performing their duties and responsibilities in collecting the fixed charges.
26. The elephant corridor erected poles/wires by CESC should be disclosed.
27. Multiple meters for supply should be provided by the CESC.
28. Corporate officers have to meet consumers regularly and solve their problems.

CESC Reply:

The Managing Director, while replying to the points raised above, assured the Commission that necessary action would be taken on the points raised by the stakeholders.

Commission's View:

The Commission has taken note of the points raised by the public. The CESC is directed to attend to the issues relating to operation and maintenance and other issues pertaining to CESC, on priority. The points relating to extension of subsidy and concessional power to certain category of consumers, shall have to be taken up with the Government of Karnataka, as all the Consumers are required to make payment of cost of supply of power. As a Policy, if any concessional or free power has to be extended, the cost thereon has to be met by the Government, in case, the Government desires to extend such concessional or free power. The other tariff related issues have been considered by the Commission, to the extent they are implementable.

3.6 CESC has replied to the written objections filed by the Stake-holders and the public. Many of the objections are dealt with in detail in the relevant chapters of this Tariff Order. The gist of the objections, replies by CESC and the Commission's views is appended to this order as **Appendix-1.**

CHAPTER – 4

ANNUAL PERFORMANCE REVIEW FOR FY22

4.0 CESC's Application for APR for FY22:

The CESC had filed its application for Annual Performance Review (APR) for FY22, and the revision of the Annual Revenue Requirement (ARR) and revision of retail supply tariff for FY24 on 30th November, 2022. On the basis of the Audited Accounts, CESC has sought the approval of the Commission for Annual Performance Review (APR) for FY22 and revision of ARR and retail supply tariff for FY24.

The Commission, vide its letter dated 14th December, 2022, had communicated its preliminary observations on the application of CESC. The CESC has submitted its reply to the preliminary observations of the Commission vide its letter dated 23rd December, 2022 received in the Commission's office on 26th December, 2022.

The Commission, in its Order dated 9th June, 2021, had approved net Annual Revenue Requirement (ARR) of Rs. 5180.69 Crores for FY22, including ARR surplus of FY20 of Rs.187.07 Crores.

The revised Annual Revenue Requirement (ARR) of CESC as per Annual Performance Review for FY22, based on the Audited accounts, is discussed in this chapter.

4.1 CESC's Submission:

CESC in its application dated 30th November, 2022, has submitted its proposals for revision of ARR under APR for FY22 as indicated in the following Table:

TABLE – 4.1

APR for FY22 – CESC's Submission

Amount in Rs. Crores

Sl. No.	Particulars	APR FY22	
		As approved in Tariff Order dated 09.06.2021	As filed
1	Energy at Gen Bus- MU	7866.43	8390.87
2	Transmission Losses in %	2.98%	10.17%
3	Energy at Interface in MU	7632.17	7537.42

Sl. No.	Particulars	APR FY22	
		As approved in Tariff Order dated 09.06.2021	As filed
4	Distribution loss	10.75%	11.32%
5	**Sales in MU**		
	Sales to other than IP & BJ/KJ	3651.51	3617.70
	Sales to BJ/KJ	95.33	95.12
	Sales to IP	3064.87	2971.38
	Total Sales	**6811.71**	**6684.20**
5	**Revenue**		
	Revenue from tariff and Misc. Charges	3046.45	2996.16
	Tariff Subsidy to BJ/KJ	69.50	77.90
	Tariff Subsidy to IP	1860.38	1800.14
	Total Existing Revenue	**4976.33**	**4874.20**
	Expenditure in Rs. Crores.		
6	Power Purchase Cost	3510.22	3529.33
	Transmission charges of KPTCL	490.92	494.39
	SLDC Charges	3.98	3.98
	Power Purchase Cost including cost of transmission	**4005.12**	**4027.70**
7	Employee Cost		640.72
	Repairs & Maintenance		71.25
	Admin. & General Expenses	887.12	106.59
	Total O&M Expenses	**887.12**	**818.56**
8	Depreciation	198.72	346.55
9	**Interest & Finance charges**		
10	Interest on Loans	146.80	135.77
11	Interest on Working capital	105.22	118.69
12	Interest on belated payment on PP Cost	0.00	57.04
13	Interest on consumer deposits	36.78	29.40
14	Other Interest & Finance charges	0.00	12.70
15	Less: interest capitalized	-12.00	-6.80
	Total Interest & Finance charges	**276.80**	**346.80**
16	Other Debits	0.00	10.18
17	Net Prior Period Debit/Credit	0.00	0.00
18	Return on Equity	0.00	0.00
19	Provision for taxation	0.00	0.00
20	Funds towards Consumer Relations/Consumer Education	0.50	0.00
	Approved Regulatory Assets as per T.O. 04.11.2020 for FY22 carrying cost	77.17	0.00
21	Other Income	-77.67	-293.03
22	**ARR**	**5367.76**	**5256.77**
23	Carry forward Surplus/Deficit (-) as per APR for FY20	187.07	0.00
24	Penalty for increase in distribution losses	0.00	0.00
25	Less: Disallowance of capex on account of prudence check for FY19 and FY20	0.00	0.00
26	**Net ARR**	**5180.69**	**5256.77**
	Surplus/-Deficit for FY22		**-382.57**

Considering the revenue of Rs.4874.20 Crores against the proposed net ARR of Rs.5256.77 Crores, CESC has indicated a gap in revenue of Rs.382.57 Crores for FY22.

4.2 CESC's Financial Performance as per Audited Accounts for FY22:

An overview of the financial performance of CESC for FY22 as per its Audited Accounts is as given below:

TABLE – 4.2
Financial Performance of CESC for FY22

Amount in Rs. Crores

Sl. No.	Particulars	Actuals as per Audited Accounts
	Revenue Receipts	
1	Revenue from sale of Power	4781.15
2	Other Income	386.08
	Total Income	**5167.23**
	Expenditure	
3	Power Purchase Cost	4027.70
4	Employee Benefit Expenses	640.79
5	Depreciation	346.55
6	Finance cost-Net	260.37
7	Other Expenses	274.46
8	**Total Expenditure**	**5549.87**
9	**Profit/-Loss**	-382.64
10	Regulatory Income / Expenses (Net)	-40.26
11	Current Tax	--
12	Deferred Tax	--
13	MAT Credit	--
14	Actuarial gains/losses on Family Benefit Fund	0.07
15	**Net Loss for FY22**	**-422.83**

As per the Audited Accounts, CESC has indicated the net deficit of Rs.422.83 Crores for FY22. The profits / losses reported by CESC in its audited accounts in the previous years are indicated in the following Table:

TABLE – 4.3

CESC's Accumulated Profit / Losses

Particulars	Amount in Rs. Crores
Accumulated losses upto FY21	-1965.61
Profit / losses earned for FY22	-422.91
Accumulated Losses as at the end of FY22	**-2388.52**

As seen from the above table, the accumulated losses as at the end of FY22 is Rs.2388.52 Crores.

The Commission has taken up the Annual Performance Review for F22 in accordance with the provisions of the MYT Regulations, duly considering the actual revenue and expenditure booked in the Audited Accounts of CESC against the revenue and expenditure approved by the Commission in its Tariff Order dated 9th June, 2021 along with the other details submitted by CESC. The item-wise review of expenditure and the revenue and the decisions of the Commission thereon are as discussed in the following paragraphs:

4.2.1 Sales- Annual Performance Review of Sales for FY22:

A. Sales- Other than IP sets:

The category-wise sales approved by the Commission and the actuals for FY22 as per D-2 format are as indicated in the table below:

TABLE – 4.4

Energy Sales for FY22 Approved Vs Actuals

Energy in MU

Category Col-1	Approved Col-2	Actuals Col-3	Diff –MU Col-4 = Col3 - Col2
BJ/KJ consuming more than 40 units/month	48.56	29.27	-19.29
LT-2a	1097.90	1109.25	11.35
LT-2b	10.70	7.91	-2.79
LT-3	348.25	317.07	-31.18
LT-4b	0.87	1.02	0.15
LT-4c	21.78	19.20	-2.58
LT-5	156.43	167.35	10.92
LT-6 WS	285.94	276.55	-9.39
LT-6 SL	123.46	117.44	-6.02
LT-7	19.33	17.41	-1.92
HT-1	485.36	497.33	11.97
HT-2a	747.39	754.19	6.80
HT-2b	136.22	103.87	-32.35
HT-2c	61.02	53.42	-7.60
HT-3a & b	96.08	130.64	34.56
HT-4	4.15	4.17	0.02
HT-5	2.68	6.13	3.45
Sub total	**3646.12**	**3612.22**	**-33.90**
BJ/KJ consuming less than or equal to 40 units/month	95.33	95.12	-0.21
IP	3064.87	2971.38	-93.49
Sub total	**3160.20**	**3066.50**	**-93.70**
Auxiliary	**5.39**	**5.45**	**0.06**
Grand total	**6811.71**	**6684.17**	**-127.54**

The Commission had observed that there is marginal increase in sales to LT-2a, LT-5, HT-1 & HT-2a categories and considerable increase in HT-3 category, with respect to the approved sales. However, the Commission had noted that there is considerable reduction in sales in LT-3, LT-4a and HT-2b categories

CESC in its filing has attributed the reduction / increase in sales to the following:

a. Reduction in sales in BJ/KJ category to the reduction in the specific consumption.
b. Increase in LT-2a sales to the increase in number of installations.

The Commission's preliminary observations on sales for FY22, the replies furnished by CESC and the Commission's views thereon are as follows:

i) The Commission had observed that CESC had not furnished the reasons for decrease in sales in case of LT-3 category and HT-2b category. The Commission directed CESC to analyze the same.

CESC's Reply:

Furnishing month-wise data for LT3 and HT2b categories, it is submitted that when compared to actuals of FY21, the sales has increased by 11.76% and 20.52% respectively. However, the sales for the above categories as approved by the Commission could not be achieved due to Covid-19 affecting all commercial activities during the period April to August 2021.

Commission's Views:

The reply furnished by CESC is noted.

ii) The sales, in respect of BJ/KJ installations consuming more than 40units/month, the specific consumption per month works out to 58.44 units/installation which is high as compared to specific consumption of LT-2a of 43.06 units/month/installation**.** CESC was directed to analyze the reasons for high BJ/KJ specific consumption.

CESC's Reply:

Furnishing month-wise details, which indicates specific consumption varying from 43.43 units to 67.19 units per month per installation, it is submitted that the specific consumption is higher than LT2a, because the number of consumers considered for computing BJ/KJ consumption is based on March 2022 DCB data and the number of installations consuming more than 40 units fluctuates from month to month.

Commission's Views:

The Commission notes that barring the month of June 2021, in other months the specific consumptions is in the range of 43.43 to 58.93 units per month per installation.

B. Sales to IP sets – APR for FY22:

1. The Commission, in its Tariff Order dated 9th June, 2021, has approved the specific consumption of IP sets as 7,216.46 units / IP / annum for the FY22, whereas, the specific consumption as reported by the CESC, in its Tariff filing for APR for FY22, works out to 6,838.52 (after deducting the 58 numbers of dried-up IP installations in FY21 and 1,161 numbers of dried-up IP installations in FY22) units / IP / annum, which indicates decrease in the specific consumption by 377.9 units / IP / annum corresponding to 5.24%.
2. The total sales to IP sets reported for the FY22 is 2,971.38 MU as against 3,064.87 MU as approved by the Commission, which corresponds to decrease in sales to an extent of 93.49 MU accounting for decrease by 3.05%.
3. Further, the Commission had approved 4,34,205 as the number of installations for the FY22, whereas the actual number of installations reported is 4,46,535 installations. The dried up IP sets reported are 1,161 numbers for FY22. After deducting the dried-up installations, the actual numbers of active IP set installations are 4,45,374. The difference in number of installations between the approved and the actuals for FY22 is 11,169. This indicates an increase of around 2.5 per cent in the number of installations serviced, as compared to the approved number of installations by the Commission for the FY22.
4. CESC in its replies to the observations, has submitted that, due to heavy rainfall & floods which has resulted in decrease of agricultural activities in

2021-22 and decrease in energy sales to irrigation pump sets. The increase in the number of installations and decrease in energy sales as compared to the approved figures has resulted in lower specific consumption.

The details of sales to IP sets for FY22 as approved by the Commission in its Tariff Order 2021 and the actual sales as furnished by CESC, in its present Tariff Filing are as follows;

Particulars	As approved by the Commission in ARR for FY22 in the TO FY 21	As submitted by CESC for APR of FY22
Number of installations	4,34,205	4,45,374
Mid-year number of installations	4,24,705	4,34,506
Specific consumption in units / installation / annum	7,216.46	6,838.52
Sales in MU	**3,064.87**	**2,971.38**

5. The Commission, in its tariff order 2022 has approved the total sales to IP sets as 2,948.86 MU, with a specific consumption of 7,193.73 units per IP set per annum, in the APR for FY21. It is observed that, there is an increase in sales by 22.52 MU corresponding to 0.76% and a decrease in the specific consumption by 355.21 units per IP set per annum corresponding to 4.94% for FY22 as compared with FY21. Also, there is an increase in number of installations by 21,737 corresponding to 5.13% for FY22 as compared to FY21.

6. It is noted that, CESC in the month-wise data submitted, has computed the consumption for few feeders with negative values as calculated from the difference of final readings and initial readings. CESC in its replies to the observations, has submitted that in the month of June-21, the 11 KV Cheenya feeder and in the month of March-22, 11 KV Narayanapura feeder, the values were negative. This was due to improper tagging of installations to the feeder. The revised consumption of 11 KV Cheenya feeder, Dinka & Honnemadu for the month of June-21 and revised consumption of 11 KV Narayanapura & Gowdagere for the month of March-22 were submitted.

7. CESC has submitted the data of GPS as on March 2022 in Annexure -1. The Commission has observed that number of IP sets existing as on March 2022 (DCB figure) is 4,57,424 whereas in Format D-2, vide page Nos. 08 & 48, it has submitted the number of IP sets as 4,46,535. CESC has explained that 4,57,424 numbers of IP set installations submitted vide Annexure-1 is as per the provisional DCB and is inclusive of LT-4(c) installations pertaining to Madikeri & Sakaleshpura Divisions. CESC has submitted the number of IP sets for FY22 as 4,45,374 deducting 1161 numbers of dried up installations.

8. The Commission, in its previous Tariff Orders had directed CESC to furnish the number of IP installations as per GPS survey and the IP set assessment data, action taken to reconcile the number of IP installations with the DCB figures. However, CESC, has not furnished the exact details of actual number of IP installations existing in the field, working IP sets, permanently disconnected IP sets, in respect of both the authorized and unauthorized categories, action taken to regularize the unauthorized IP sets and the action taken to reconcile the data of the GPS survey with that of the DCB figures. **Therefore, the Commission, hereby directs CESC to complete the remaining survey work and submit the details without any ambiguity in the data of total number of existing IP sets, defunct / dried up etc., within three months from the date of this Order.**

9. Based on the above discussions and also, on a detailed verification of the data, it is noted that the overall sales of 2,971.38 MU as submitted by CESC for FY22, is acceptable.

Hence, the Commission decides to allow the consumption of 2,971.38 MU claimed by the CESC in its tariff filing for FY22 with the details as follows:

Particulars	Approved sales of IP sets for FY22
Number of installations	4,45,374
Mid-year number of installations	4,34,506
Specific consumption in units / installation / annum	6,838.52
Sales in MU	**2,971.38**

The Commission, after taking note of the replies furnished by CESC on the preliminary observations on energy sales and based on the audited accounts and the discussions made in the previous paragraphs, approves the sales for FY22, as indicated in the following Table:

TABLE – 4.5

Approved Sales for FY22 as per APR

Energy in MU

Category	Approved Sales as per Actuals
BJ/KJ Consuming more than 40 units/month	29.27
LT-2a	1109.25
LT-2b	7.92
LT-3	317.07
LT-4b	1.02
LT-4c	19.20
LT-5	167.36
LT-6 WS	276.55
LT-6 SL	117.45
LT-7	17.41
HT-1	497.33
HT-2a	754.19
HT-2b	103.87
HT-2c	53.42
HT-3a & b	130.64
HT-4	4.17
HT-5	6.13
Sub total	**3612.25**
BJ/KJ Consuming less than or equal to 40 units/month	95.12
IP sets	2971.38
Sub total	**3066.50**
Auxiliary	**5.45**
Grand total	**6684.20**

4.2.2 Distribution Losses for FY22:

The CESC, in the tariff application has reported distribution losses of 10.40% for FY22. The computation of distribution losses for FY22 as submitted by CESC is as under:

Distribution loss of 10.40%

Particulars	Actuals
Sales in MU (considering DCB from May 2021 to April 2022)	6753.27
Distribution losses in %	10.40
Energy at interface point in MU	7537.42
Total Energy requirement in MU	8390.87

The CESC in the A-1 Format has reported that the actual energy and the sales with the distribution loss as detailed below:

Distribution loss of 11.32%

Particulars	Actuals
Sales in MU	6684.20
Distribution losses in %	11.32
Energy at interface point in MU	7537.42
Total Energy requirement in MU	8390.87

Commission's Analysis and Decision:

The Commission in its tariff Order 2021 has approved the distribution losses for FY22 as under:

Figures in Percentage

Particulars	FY22
Upper limit	11.00
Average	10.75
Lower limit	10.50

The Commission in its observations had directed the CESC to submit the actual energy from April 2021-March 2022 and month-wise actual data of energy audit for towns and cities. The CESC, in its reply, has stated that for arriving at the distribution loss, considered the input energy of 6684.2 MU for the period from April 2021 to March 2022 and also submitted the month-wise actual data for energy audit for towns and cities.

The Commission notes that as per the division-wise losses furnished by the CESC for FY22, the actual distribution losses in some of the divisions are ranging from 11.07 % to 14.86% for FY22. Hence, there is scope to reduce the losses further in these divisions and therefore, CESC shall draw an action plan to reduce the losses in these divisions. The Commission reiterates its direction to CESC to put forth continuous efforts to reduce the losses in these divisions.

The Commission notes the performance of CESC in achieving the Distribution Losses from FY14 onwards, as detailed below:

Particulars	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Approved Distribution losses in %	15.50	15.00	14.50	13.25	13.00	12.75	12.70	11.50	10.75
Actual Distribution losses in %	14.73	13.88	13.60	13.10	13.20	12.04	11.12	12.75	11.32

In the light of the above, based on the achievement made by the CESC in reduction of losses during the previous years and the capex incurred so far, the Commission decides to consider and approve the actual distribution losses at 11.32% for FY22.

The Commission has taken note of the replies submitted by CESC. Considering the distribution loss for FY22 at 11.32% which is above the upper limit of the approved target loss of 11.00%. In terms of the MYT Regulations, the Commission decides to impose penalty of Rs.13.00 Crores for non-achievement of approved loss target to the extent of 0.32% as computed below.

Particulars	FY22
Actual input at IF points as per audited accounts in MU	7537.42
Retail sale in MU	6684.20
Percentage distribution losses (Actual)	11.32%
Target Upper limit of distribution loss	11.00%
Target distribution loss	10.75%
Target lower limit of distribution loss	10.50%
Increase in percentage loss over the upper target	0.32%
Input at target loss for actual sales in MU	7510.34
Increase in input due to increase in distribution losses in MU	27.08
Average cost of power purchase Rs per Unit	4.80
Penalty for increase in power purchase cost due to increase in losses in Rs.Crores	**13.00**

Accordingly, with the above penalty the Commission decides to consider the distribution loss of 11.32% for FY22.

4.2.3 Power Purchase for FY22:

a. CESC's Submission:

The Commission, in its Tariff Order 2021, dated 9th June 2021, had approved power purchase quantum of 7,866.43 MU for CESC at a cost of Rs.4,005.12

Crores, indicating source-wise quantum of power purchase and cost thereon, for FY22. CESC, in its application has submitted the details of actual power purchase for FY22 vis-à-vis the approved figures, for the purpose of Annual Performance Review, as under:

TABLE – 4.6
Power Purchase for FY22- Approved and Actuals

Source of Generation	Approved for 2021-22			Actuals as per filing for 2021-22			Difference			% increase (+)/decrease (-) over approved figures	
	Energy (in MU)	Amount (Rs.-Cr)	P.U. Cost (Rs/kWh)	Energy (in MU)	Amount (Rs.-Cr)	P.U. Cost (Rs/kWh)	Energy (in MU)	Amount (Rs.-Cr)	P.U. Cost (Rs/kWh)	Energy (in MU)	Amount (Rs.-Cr)
KPCL Thermal	1715.85	1023.51	5.97	1806.65	1023.70	5.67	90.80	0.19	-0.30	5.29%	0.02%
CGS	2024.11	956.35	4.72	2336.66	1152.85	4.93	312.55	196.50	0.21	15.44%	20.55%
UPCL	317.12	183.26	5.78	117.67	154.23	13.11	-199.45	-29.03	7.33	-62.89%	-15.84%
KPCL Hydro	1967.56	208.76	1.06	2335.91	199.32	0.85	368.35	-9.44	-0.21	18.72%	-4.52%
Other State Hydro	18.45	6.16	3.34	20.22	6.15	3.04	1.77	-0.01	-0.30	9.58%	-0.12%
Renewable Energy	1365.94	618.34	4.53	1675.05	701.46	4.19	309.11	83.12	-0.34	22.63%	13.44%
Total Bundled Power	457.41	206.94	4.52	251.40	123.24	4.90	-206.01	-83.70	0.38	-45.04%	-40.45%
DSM Charges	0.00	0.00	0.00	-20.72	-5.56	2.68	-20.72	-5.56	-2.68		
Southwestern Railways	0.00	0.00	0.00	-2.40	-1.90	7.90	-2.40	-1.90	-7.90		
Open Access Charges	0.00	0.00	0.00	0.00	2.21	0.00	0.00	2.21	0.00		
KSEB	0.00	0.00	0.00	0.89	0.70	7.86	0.89	0.70	7.86		
IEX Sale/ purchase	0.00	0.00	0.00	-251.88	-99.48	3.95	-251.88	-99.48	-3.95		
Sale of Surplus Energy through PTC	0.00	0.00	0.00	-14.29	-7.40	5.18	-14.29	-7.40	-5.18		
Banked energy	0.00	0.00	0.00	53.89	0.00	0.00	53.89	0.00	0.00		
Other Charges (LC, Reactive, etc.)	0.00	0.00	0.00	0.00	-2.35	0.00	0.00	-2.35	0.00		
Energy Balancing	0.00	0.00	0.00	81.84	40.27	4.92	81.84	40.27	4.92		
PCKL Charges	0.00	0.00	0.00	0.00	1.82	0.00	0.00	1.82	0.00		
Transmission Charges (PGCIL+KPTCL)	0.00	797.53	0.00	0.00	733.73	0.00	0.00	-63.79	0.00		-8.00%
SLDC Charges	0.00	3.98	0.00	0.00	3.98	0.00	0.00	0.00	0.00		0.00%
POSOCO Charges	0.00	0.30	0.00	0.00	0.67	0.00	0.00	0.37	0.00		124.67%
Total	**7866.43**	**4005.12**	**5.09**	**8390.87**	**4027.66**	**4.80**	**524.44**	**22.54**	**-0.29**	**6.67%**	**0.56%**

b. Commission's Analysis and Decisions:

1. Approved and Actual quantum and Cost of energy for FY22:

The actual power purchase quantum for FY22, as per Annual Report submitted by CESC is 8,390.88 MU, purchased at a cost of Rs.4,027.70 Crores as against 8,390.87 MU and Rs.4,027.66 Crores indicated respectively in the D1 Format, provided by CESC, in its replies to preliminary observations as per the above table. The above power purchase quantum and corresponding cost are after considering the sale of surplus power of 270.20 MU and Rs.109.41 Crores the revenue earned thereon as against the approved quantum of 7,866.43 MU at a cost of Rs.4,005.12 Crores. This indicates that there is an increase in the quantum of power purchase to an extent of 524.44 MU and increase in the power purchase cost by Rs.22.54 Crores.

The increase in quantum and cost of power purchase is to the tune of 6.67% and 0.56% respectively as compared with the approved figures.

On the increase in power purchase quantum by 524.44 MU, CESC has submitted that, due to non-allocation of IEX sales to CESC under non-solar category, nearly 491 MU of energy has not been accounted under IEX sales. Hence, CESC has not accepted the energy reconciliation done at TBC, KPTCL, and has requested for resolving the issue. If this issue is resolved, then actual power purchase of CESC becomes 7900 MU which is on-par with KERC approved power purchase quantum. Further on the increase in power purchase cost by Rs.22.54 Crores, CESC has submitted that, it is due to the following reasons and this increase in power purchase cost is balanced by the amount received from IEX sales:

- Procurement of energy from cogeneration units under medium term, which amounts to Rs.58.38 Crores which is not included in Commission approved power purchase cost.
- Under exclusive purchase from cogeneration units, there is increase in cost by Rs.15.77 Crores over the approved figures on account of Hon'ble KERC order dated 02.08.2022 in respect of RP No.09/2021 for Cogeneration.
- Due to increased share allocation in respect of KPCL thermal, CGS thermal and nuclear Stations, there is increase in power purchase cost by Rs.113.00 Crores over the approved Power Purchase cost.
- Overdrawal of energy from ESCOMs resulting in an additional expenditure of Rs.40.27 Crores.

2. CESC's stand on Energy Reconciliation Statement:

On the above observation, CESC has submitted that, even though CESC has not accepted the final energy reconciliation done at O/o CEE, SLDC on 29.07.2022, the energy quantum of 81.84 MU and cost of Rs.40.27 Crores given in the energy reconciliation statement has been considered for closing of March final accounts of CESC for FY22 provisionally as was done in FY20. Any difference in cost as a result of revision of energy reconciliation will be taken into account in the current year i.e. FY23. The Commission notes the reply the provided by CESC.

3. Inter-ESCOM Energy Accounting below 66kV level:

The Commission notes with concern that this important aspect of metering is not being attended to by the ESCOMs and hence, hereby directs all the ESCOMs to ensure that proper metering arrangements are made at all the required interface points below 66kV level in line with Central Electricity Authority (Installation and Operation of Meters) Regulations 2006 and its amendments thereof, for proper accounting of Inter-ESCOM Energy. The action taken in this regard should be reported to the Commission within two months from the date of issuance of this Tariff Order.

4. Power Procurement under medium term from cogeneration units and CESC's stand on mentioning 33.41 MU under medium term from cogeneration as unauthorized in Director's Report, while including the same in D1 Statement:

The Commission had not approved any energy for purchase from cogeneration units under medium term. However, CESC has shown purchase of 148.67 MU at a cost of Rs.58.38 Crores in D-1 Format. Out of the above quantum of energy, CESC has categorized 33.41 MU of energy under 'unauthorized energy from Cogeneration under Medium Term' in its Director's report without indicating any power purchase cost towards it. In this regard, CESC was directed to provide clarification.

On the above observation, CESC has submitted that, PPAs were executed as per Energy Department, Govt. of Karnataka, Order No. EN PPT 2016 dated 11.11.2016 and payments effected till January / February 2022 as per Hon'ble

High Court of Karnataka, order dated 20.07.2021 in respect of W.P. No. 6043/2021.

Further, submitted that PPAs were also executed as per Energy Department, Govt. of Karnataka, Order No. EN PPT 2016/P2 dated 17.01.2018 and payments effected as per Energy Department, Govt. of Karnataka, letter No. Energy 39 PPT 2020 dated 04.06.2021 and 28.01.2022. However, these generators approached Hon'ble High Court of Karnataka, against CESC's intimation letter dated 30.03.2021 regarding termination of PPA. Hon'ble High Court of Karnataka, vide its order dated 26.07.2021 in respect of W.P.No.101282/2021 and W.P.No.101557/2021 and order dated 08.11.2021 in respect of W.P.No.103489/2021 and W.P.No.103178/2021, ordered that "*The Petition is allowed and disposed of in terms of the order passed by the co-ordinate bench of this court in the case of Sri. Renuka Sugars V/s State of Karnataka & others-WP No.6043/2021 & connected matters which were disposed off on 20.07.2021.*"

The ESCOMs have filed Review Petition No.100133/2022 and 100125/2022 regarding review of judgement passed by Hon'ble High Court of Karnataka in respect of these generators and the Hon'ble High Court of Karnataka's decision is awaited. Hence, energy injected beyond the PPA period i.e. 33.41 MU is considered as unauthorized energy and payment has not been effected by CESC as order is yet to be issued by the Hon'ble High Court of Karnataka. The Commission notes the submission made by CESC.

5. Variation in the Variable Cost of Thermal Power Stations:

The variation in variable charges among ESCOMs in respect of all Thermal Power Stations (KPCL, Central and UPCL) has been continued as it was noted from the Tariff filing of ESCOMs for truing up of FY22 as indicated below:

<table>
<tr><th colspan="7">Variable Cost (Rs/kWh) as noted from Tariff filing of ESCOMs for truing up of FY22 in respect of Thermal Power Stations</th></tr>
<tr><th>Sl. No.</th><th>Source/ESCOM Name</th><th>BESCOM</th><th>MESCOM</th><th>CESC</th><th>HESCOM</th><th>GESCOM</th></tr>
<tr><td>A</td><td>KPCL Thermal Power Stations</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>RTPS -1 to 7</td><td>3.13</td><td>3.39</td><td>3.39</td><td>3.75</td><td>3.37</td></tr>
<tr><td>2</td><td>RTPS-VIII</td><td>3.31</td><td>3.58</td><td>3.58</td><td>3.83</td><td>3.58</td></tr>
<tr><td>3</td><td>BTPS Unit I</td><td>3.05</td><td>3.17</td><td>3.17</td><td>3.22</td><td>3.17</td></tr>
<tr><td>4</td><td>BTPS Unit II</td><td>2.88</td><td>3.00</td><td>3.00</td><td>2.93</td><td>3.00</td></tr>
<tr><td>5</td><td>BTPS Unit III</td><td>2.98</td><td>3.10</td><td>3.10</td><td>2.90</td><td>3.10</td></tr>
<tr><td>6</td><td>Yearamurus TPS</td><td>3.35</td><td>3.11</td><td>3.07</td><td>3.00</td><td>2.90</td></tr>
<tr><td>B</td><td>Central Thermal Power Stations</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>NTPC-Ramagundam, St-I & II</td><td>2.83</td><td>2.81</td><td>2.84</td><td rowspan="4">-</td><td>2.62</td></tr>
<tr><td>2</td><td>NTPC-Ramagundam, St-III</td><td>3.29</td><td>2.76</td><td>2.95</td><td>3.79</td></tr>
<tr><td>3</td><td>NTPC-Talcher, St-II</td><td>1.68</td><td>1.77</td><td>1.77</td><td>1.83</td></tr>
<tr><td>4</td><td>NTPC-Simhadri</td><td>3.15</td><td>2.93</td><td>3.52</td><td>3.29</td></tr>
<tr><td>5</td><td>NLC TPS2-Stage 1</td><td>2.64</td><td>2.66</td><td>2.66</td><td rowspan="3">2.65</td><td>2.65</td></tr>
<tr><td>6</td><td>NLC TPS2-Stage 2</td><td>2.65</td><td>2.66</td><td>2.66</td><td>2.52</td></tr>
<tr><td>7</td><td>NLC TPS-2-Expn 1 &2</td><td>2.57</td><td>2.56</td><td>2.57</td><td>2.54</td></tr>
<tr><td>8</td><td>NLC TPS1-Expn</td><td>2.27</td><td>2.42</td><td>2.45</td><td>1.57</td><td>2.41</td></tr>
<tr><td>9</td><td>Tuticorin (NTPL)1&2</td><td>3.82</td><td>3.25</td><td>3.76</td><td>-</td><td>3.55</td></tr>
<tr><td>10</td><td>Vallur TPS 1,2 &3</td><td>3.36</td><td>3.37</td><td>3.45</td><td>3.40</td><td>3.33</td></tr>
<tr><td>11</td><td>DVC Unit-1 & 2 Koderma TPS</td><td>2.76</td><td>2.90</td><td>2.65</td><td rowspan="2">-</td><td>2.75</td></tr>
<tr><td>12</td><td>DVC Unit-7 & 8 Mejia TPS</td><td>2.90</td><td>2.65</td><td>2.90</td><td>2.79</td></tr>
<tr><td>13</td><td>Kudugi TPS Unit-1,2 &3</td><td>3.98</td><td>4.02</td><td>4.21</td><td>-</td><td>3.99</td></tr>
<tr><td>14</td><td>NNTPS</td><td>2.19</td><td>2.19</td><td>2.20</td><td>2.18</td><td>2.18</td></tr>
<tr><td>C</td><td>IPPs Major Thermal Power Station</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>UPCL</td><td>4.54</td><td>4.27</td><td>6.10</td><td>4.93</td><td>4.68</td></tr>
</table>

In the Tariff Order 2022, dated 4th April 2022, regarding variation in variable charges among ESCOMs in respect of all Thermal Power Stations (KPCL, Central and UPCL), the Commission had directed BESCOM to convene a coordination meeting involving all the ESCOMs within two weeks from the issuance of the above Tariff Order to discuss the reasons for variation of variable charges for FY21 and to arrive at the following:

a) Actual variable cost to be paid in respect of each of the power plants by the respective ESCOM.
b) Deviations in payment of variable cost made by respective ESCOM as against actual variable cost in respect of each of the power plants.

Further, BESCOM was directed to submit the detailed Minutes of the meeting involving the above details to the Commission within two weeks from the date of conduct of meeting, for further needful action. However, BESCOM had not conducted the said coordination meeting nor CESC or any of the other ESCOMs have followed up with BESCOM in conduct of above coordination meeting. The ESCOMs should understand here that the above directions were issued by the Commission in the interest of all ESCOMs and **the Commission does not approve the inaction taken by the ESCOMs in the matter.**

Further, individually all the ESCOMs were requested to provide proper reasoning for variation in variable cost. The reasons provided by each of the ESCOMs are as below:

BESCOM: KPCL had entrusted the verification of bills from **2005-06 to till date to M/s Ramraj & Co,** Chartered Accountants. M/s Ramraj & Co had furnished Part-1 report which was discussed in the meeting conducted by PCKL on 19th July 2022 with ESCOMs, KPCL and M/s Ramraj & Co. The Part-1 report is based on opinion of Chartered Accountants but bills are yet to be verified and the same will be furnished in "Part-2" Report later. As there are no GoK orders / KERC orders to bill GCV as claimed by KPCL, BESCOM had continued to bill the GCV on received basis. The other ESCOMs may be considering GCV as per KPCL bills. As such, there is variation in variable cost considered by BESCOM and other ESCOMs. In respect of CGS, BESCOM has considered the variable cost billed up to March 2022. The revision of variable cost for the period up to March 2022 and billed during April 2022 to July 2022 is also considered. Some of the ESCOMs have considered the accounting year as February 2021 to February 2022. As such, there is variation in variable cost of CGS thermal stations and UPCL among ESCOMs.

MESCOM: KPCL has entrusted reconciliation of billing issues to M/s Ramraj & Co., Chartered Accountants. The Chartered Accountants has issued Part-1 of reconciliation vide letter dated 22nd February 2022. The audit firm is yet to furnish detailed monthly bill calculation. In this regard, a meeting was conducted on 07th July 2022 to discuss the billing procedure. In respect of CGS the supplementary bills related to 2021-22 received in 2022-23 were considered for

FY22 itself. Monthly energy charges are based on the parameters and formula as per PPA/CERC norms. MESCOM separates the inadvertent costs and arrives at exclusive variable costs. Other costs like revisions related to previous years are accounted under other charges.

CESC: In respect of KPCL Thermal Power Stations, except Yermarus TPS, the variable charges as claimed by KPCL is being admitted and paid. The issues pertaining to billing of KPCL stations, both hydel & thermal, have been entrusted to M/s Ramraj & Co., Chartered Accountants & the verification of the bills is underway. Once the verification is completed and accepted by ESCOMs, the difference, if any will be accounted by CESC. In respect of Yermarus TPS, revision as per KERC Tariff Order dated 17th January 2022 has been included. In respect of CGS, the variable charge includes Income tax and others and in respect of UPCL TPS, the variable charge includes prior period claims, PLC & others.

HESCOM: It is submitted that, reconciliation of M/s KPCL dues between M/s KPCL and ESCOMs has been entrusted to the third-party for verification i.e., M/s Ramraj & Co., Chartered Accountants, which is under process. With reference to the CGS and UPCL TPS, variable charges admitted includes the components namely Incentives, Compensation, SRLDC Charges and ECR revisions pertaining to previous years admitted during FY22 where the allocation among ESCOMs differ from previous year to FY22. Hence, there may be variation in variable cost per unit among ESCOMs.

GESCOM: The variation in actual & approved variable charges of Thermal Power Stations as shown in D1 format is due to allowing of following pass through components in accordance with PPA/Tariff Orders which are included as variable charges by generators i.e., changes in RLDC/SRLDC charges, RTM trade gain share, incentive claims & variation in coal charges.

On examination of the responses from ESCOMs, it is observed that the responses completely differ from one another. The Commission is of the considered view that the present situation wouldn't have arisen if ESCOMs have reconciled power purchase cost with concerned Generating Stations at least for the financial year for which APR is submitted to the Commission, before its submission along with

proper scrutiny of power purchase bills as and when they are raised. As per the copy of the KPCL letter dated 31st October 2022, addressed to Energy Department, Govt. of Karnataka, it is made out that services of M/s Ramraj & Co., Chartered Accountants towards Part-2 of reconciliation is for the billing period from FY 2005-06 to FY 2019-20 and not up to till date (FY22) as submitted by BESCOM.

As PCKL has been made the nodal agency to ascertain the correctness of billing and furnish the correct bill amounts, as submitted by BESCOM, PCKL is directed to ascertain the following:

a) The Part-2 report of the M/s Ramraj & Co., Chartered Accountants in respect of KPCL Thermal Power Stations is cross checked for its correctness and accordingly reconciliation as per the above report takes place between ESCOMs and KPCL within reasonable time by submitting a copy of the abstract of reconciliation statement to the Commission for information.

b) Convene a coordination meeting with ESCOMs for resolving differences in respect of variable cost of CGS and UPCL TPS for the FY21, FY22 and in respect of other previous financial years, wherein such differences exits. The proceedings of the meeting may be submitted to the Commission for information. Also, in the above meeting decision on reconciliation of KPCL bills for the FY21 and FY22 needs to be taken.

6. Energy left unutilized from cheaper sources:

The Commission had observed that, when compared with approved quantum, some quantum of energy was left unutilized from cheaper sources. In this aspect, CESC has held 'SLDC' completely responsible, while listing out the functions of SLDC in accordance with the Electricity Act-2003 and has submitted that, **ESCOM-wise optimization will not be possible till the implementation of Intra state ABT. The Commission notes the submission made by CESC.**

7. Increase in per unit cost of Variable Charges of TPS:

The CESC was directed to explain the reasons for overall increase in per unit cost of variable charges in respect of KPCL, Central and UPCL Thermal Power Stations

(TPS) against the approved values. For which, CESC has submitted the same reasons submitted for the observations on variation in variable cost of Thermal Power Stations among ESCOMs. It clearly shows that CESC simply passing the power purchase bills without analysing the reasons for increase in variable cost. **This is not acceptable and CESC should understand the observations made by the Commission. The Commission directs CESC to analyse the reasons for above increase in per unit cost of variable charges and to submit the same to the Commission within two weeks from the issuance of this Tariff Order. Failure of the same, will lead to further necessary action at the Commission end.**

8. Payment of Capacity Charges for KPCL hydro power plants and Jurala Hydro Electric Station:

The CESC has claimed capacity charges of Rs.19.35 Crores and variable cost of Rs.179.98 Crores for KPCL Hydro, whereas the Commission in its approval has allowed only variable charges of Rs.208.76 Crores. On the reason for consideration of payment of capacity charges, CESC has submitted that, KPCL is claiming the capacity charges of hydel stations as per Article 4.3 of PPA dated 24.05.2010 and KERC Order dated 25.02.2015 in respect of VVNL stations. For the year 2021-22, KPCL has submitted the statement of estimated recoverable capacity and energy charges vide letter No. A1 Q5 D/84 dated 29.04.2021 and based on this statement, month-wise capacity charges and energy charges have been calculated by KPCL and bills were issued to CESC. As the capacity charges have been claimed by KPCL the same has been accounted by CESC. The Commission notes the CESC's response.

Further, CESC has claimed capacity charges of Rs.5.60 Crores in respect of Jurala Hydro Electric Station, whereas the Commission, in its approval has allowed only variable charges of Rs.5.71 Crores. On the reason for consideration of payment under capacity charges, CESC has submitted that, monthly power purchase bills of Priyadarshini Jurala Hydro Electric Scheme (HES) are being processed by M/s PCKL on behalf of ESCOMs and the amount as intimated by PCKL is being accounted and paid by ESCOMs. PCKL is verifying and processing the bills as per the order of Telangana State Electricity Regulatory Commission (TSERC) dated 05.06.2017 in which the capacity charges to be paid to M/s

Priyadarshini Jurala HES has been approved. Irrespective of energy generated and supplied by the firm, the monthly minimum charges i.e., the capacity charges as approved by TSERC has to be paid and hence amount so paid by CESC has been accounted as capacity charges. The Commission notes the CESC's response.

9. Reason for underutilization of bundled power:

The CESC was directed to furnish the reason for underutilization of bundled power to an extent of 206.01MU compared to the approved quantum. In reply, the CESC has submitted that, the bundled power from NTPC-VVNL and NTPC-NSM has been accounted and paid for FY22 as per the percentage of allocation as ordered in Govt. of Karnataka Order No. ENERGY 120 PSR 2021 Bengaluru dated 25.03.2021 which was revised again as per Govt. of Karnataka letter No. ENERGY 202/ PSR 2021 Bangalore dated 29.07.2021. **The energy from coal sources of NTPC-NSM has been surrendered w.e.f. 14.07.2021.** Because of this, only 58.93 MU of energy has been received by CESC as against the KERC approved quantum of 233.83 MU from coal portion of NTPC-NSM resulting in under supply of 174.90 MU in FY22. Further, there is an under supply of 10.98 MU from coal portion of NTPC-VVNL and under supply of 20.13 MU from solar portion of NTPC-NSM and NTPC-VVNL during FY22 against the KERC approved energy. **In respect of above submission, the Commission directs CESC to ascertain that the surrendered energy from coal sources of NTPC-NSM is based on commercial principles.**

10. Analyzing the reasons for Deviations and Action taken to reduce such Deviations:

CESC in the D-1 Format has indicated, DSM charges of Rs.-5.56 Crores against -20.72 MU, which works out to Rs.2.68/unit. In this regard CESC was directed to provide its reply on whether CESC is analyzing the reasons for such deviations on regular basis and what is the action being taken/recommendation by CESC for reducing such deviations, in consultation with SLDC. In reply, CESC has submitted that, SLDC is responsible for carrying out real time operation for grid control and despatch of electricity within the State through secure and economic operation of the State Grid in accordance with the Grid standards and State Grid Code. Hence, ESCOMs are not authorized to interfere in the functions of SLDC. The CESC shall understand here that in order to reduce the deviations ESCOMs needs to analyse the reasons for deviations and steps needs to be taken accordingly.

11. Charges claimed against SWR, OA, KSEB:

The CESC has claimed variable charges of Rs.-1.90 Crores for -2.40 MU against South Western Railways(SWR), capacity charges of Rs.2.21 Crores against Open Access (OA) without mentioning the corresponding details of energy and variable charges of Rs.0.70 Crores for 0.89 MU against Kerala State Electricity Board(KSEB). These were not approved by the Commission in the Tariff Order 2021 and hence, CESC was directed to provide clarification in this regard.

In reply, CESC has submitted the following:

- CESC has received Rs.1.90 Crores for 2.40 MU towards DSM charges from M/s. South Western Railways through SLDC. Govt. of India, vide letter No.SRPC/SE-I/54/UA/2017-18 dated 28.09.2017 has allocated 540 MW (35 MW in Karnataka) of power from RGPPL to Indian Railways.
- CESC has accounted capacity charges of Rs.2.21 Crores against Transmission charges (Open Access Charges) for purchase of power from M/s. Damodar Valley Corporation, for energy traded by PCKL through IEX and PXIL and sale of surplus energy (Pooled RE Solar).
- CESC has incurred variable charges of Rs.0.70 Crores for 0.89 MU against KSEB for purchase of power to facilitate power to the consumers of Karike village of Madikeri district located at the border area close to Kerala.

The Commission notes the CESC's response.

12. Sale of Energy:

The CESC has accounted energy of -251.88 MU with variable charges of Rs.-99.48 Crores and energy of -14.29 MU with variable charges of Rs.-7.40 Crores against 'IEX' and 'sale of surplus energy' respectively. CESC, was directed to provide the breakup of sale and purchase of energy under IEX and the platform under which 'sale of surplus energy' is carried out. If the latter transaction is carried out under IEX, why it is indicated separately instead of summing up under 'IEX'.

In reply, CESC has provided the breakup of sale and purchase of energy under IEX as per the table below and submitted that it has accounted 'sale of surplus energy' separately for energy of 14.29 MU with variable Charges of Rs.7.40 Crores against Pooled RE-Solar energy of ESCOMs sold to Himachal Pradesh State Electricity Board Limited through PTC by PCKL for the period from 21.10.2021 to 31.03.2022.

IEX Sale/Purchase	Quantum in MU	Cost-Rs. in Crs.
IEX Sale	-255.91	-102.01
IEX Purchase	4.03	2.53

The Commission notes the CESC's response.

13. Banked energy:

The CESC has accounted 53.89 MU towards banked energy without mentioning any cost towards it and hence was directed to clarify the same. In reply, CESC has submitted that, it has accounted banked energy of 53.89 MU for the purpose of energy reconciliation for the FY22. Since the energy has been received and utilised by CESC, the same has been accounted based on 'B' forms and O.M. copies issued to various Wheeling and Banking generators. But the invoices for this banked energy have not been received from the concerned generators and hence no payment is made in respect of this energy. As and when the invoices for this energy are received payment will be arranged as per KERC Regulations. The Commission notes the CESC's response.

14. PCKL and 'Other Charges':

CESC has accounted Rs.-2.35 Crores towards Other Charges (LC, Reactive, etc.) and Rs.1.82 Crores towards PCKL Charges, which were not part of the approval of the Commission and hence CESC was directed to provide clarification in this regard. In reply, CESC has submitted that, it has incurred the said charges as additional / supporting charges connected to power purchase made through various Generators and Traders and energy received through Transmission Licensees. The Commission notes the CESC's response.

15. PGCIL Charges:

CESC was directed to provide the reasons for reduction of PGCIL charges to Rs.239.34 Crores from approved charges of Rs.306.61 Crores even when there is increase in drawal of energy from central generating stations from 2024.11 MU to 2336.66 MU excluding bundled power. In reply, CESC has submitted that, computation of transmission charges by CTUIL (formerly PGCIL) with effect from 01.11.2020 is based on hybrid methodology, as per CERC (sharing of Inter-state transmission charges and losses) Regulations 2020. This has resulted in reduction of charges. The Commission notes the CESC's response.

16. Backing Down of Power:

The CESC is silent on the power backed down during FY22. It is to be noted here that, the State ESCOMs have backed down power to an extent of 25,956 MU during FY22 as per the information provided by SLDC. This factor needs to be considered by the State ESCOMs including CESC before considering any power procurement and should take measures to reduce/utilize power backed down on commercial principles, considering reliability of the State grid into consideration. **The PCKL shall guide ESCOMs and should take responsible measures in this aspect.**

17. Accuracy of Demand-Supply projections:

The Commission directs all ESCOMs to provide correct data for demand/supply projections including in respect of Electric Power Survey (EPS) Reports, Load Generation Balance Reports (LGBR), etc., as the correct data will ensure accuracy in demand/supply projections. Further, the Commission directs, all the ESCOMs/PCKL/SLDC to conduct proper demand-supply projections at specific time intervals for ensuring reliability in supply and avoid stranded generation capacities.

18. Source-wise Generation:

On an analysis of the source-wise approved and actual power purchase, it is observed that, there are deviations in the quantum of energy purchased and cost thereon. There is increase in supply of energy from the KPCL Thermal, KPCL Hydel, CGS, Renewal energy sources of power and from other State hydro projects. Whereas, there is decrease in the supply from the UPCL and Bundled Power as indicated below:

Source of Generation	Approved Energy for 2021-22 in MU	Actual Energy for 2021-22 in MU	Excess(+)/ Shortfall (-) Energy in %
KPCL-Thermal Stations	1715.85	1806.65	5.29%
CGS	2024.11	2336.66	15.44%
UPCL	317.12	117.67	-62.89%
KPCL Hydel Stations	1967.56	2335.91	18.72%
Other State Hydro Projects	18.45	20.22	9.58%
RE Projects	1365.94	1675.05	22.63%
Total Bundled Power	457.41	251.40	-45.04%
Others		-152.68	
Total	**7866.43**	**8390.87**	**6.67%**

Source of Generation	Approved Amount for 2021-22 in Rs. Crores	Actual Amount for 2021-22 in Rs. Crores	Excess (+)/ Shortfall (-) Amount in %
KPCL-Thermal Stations	1023.51	1023.70	0.02%
CGS	956.35	1152.85	20.55%
UPCL	183.26	154.23	-15.84%
KPCL Hydel Stations	208.76	199.32	-4.52%
Other State Hydro Projects	6.16	6.15	-0.12%
RE Projects	618.34	701.46	13.44%
Total Bundled power	206.94	123.24	-40.45%
Transmission Charges (PGCIL+KPTCL)	797.53	733.73	-8.00%
Others	4.28	-67.02	-1665.25%
Total	**4005.12**	**4027.66**	**0.56%**

However, the total power purchase cost has not increased in proportion to increase in total actual energy, instead there is reduction in increase in total power purchase cost compared to the proportion of increase in total actual energy. Further, decrease in the PGCIL charges to an extent of Rs.67.27 Crores have majorly resulted in decrease in per unit cost from Rs. 5.09 per unit (Approved) to Rs.4.80 per unit, as per actuals. However, the Commission directs CESC to ensure that the amount paid towards PGCIL charges are thoroughly verified as per the CERC approved methodology in terms of CERC (sharing of Inter State Transmission Charges and related matters) Regulations 2020 and its amendments from time to time and make sure such amount arrived is prudent. Further, energy to the extent of 270.20 MU has been sold outside, much importance should be given towards it considering commercial principles and reliability of the State Grid.

19. **CESC shall ensure that in future, all the costs related to power purchase for a financial year, for which APR is being submitted before the Commission, are reconciled between the ESCOMs and concerned Generation Stations/Transmission Utilities/State Load Despatch Centres etc. and checked for its correctness before its submission. PCKL is directed to ensure co-ordination meetings at regular intervals is held in this aspect and copy of the proceedings of such meeting shall be submitted to the Commission for information. Further, in the above meeting attention shall be given to all the aspects discussed in the above paras including energy reconciliation, variation in DSM charges between ESCOMs and other relevant subjects.**

20. **In the circumstances explained above, considering the consolidated replies provided by ESCOMs in respect of Energy Reconciliation Statement, Power procurement under medium term from cogeneration power plants, amount as per audited accounts and in view of fact that the power purchase is un-controllable cost as per MYT Regulations, the Commission hereby decides to approve the actual power purchase cost of Rs.4,027.70 Crores towards purchase of 8,390.87 MU for FY22 subject to the following:**

a) Revision of Energy Reconciliation Statement among ESCOMs for FY22, if any.

b) Subject to outcome of the orders on the petitions/review petitions filed in respect of power procurement under medium term from cogeneration power plants.

c) The decision, if any, of the Commission (KERC) in respect of tariff regarding power procurement under medium term from cogeneration power plants.

4.2.4 RPO Compliance:

CESC furnishing the details of RPO compliance for FY-22, has stated that it has met both solar and non-solar RPO.

The observations of the Commission on RPO and the replies furnished by CESC are as under:

1. CESC shall indicate how much of hydro energy is added or subtracted under energy balance.

   CESC has furnished the following details:

Sl. No.	Particulars	FY22
1	Total Energy of CESC	8648.94
2	KPCL Hydel	2421.306
3	Priyadarshini Jurala	15.642
4	TB Dam	4.170
5	**Total energy excluding Hydro (1-2-3-4)**	**6207.822**
6	Mani Dam	1.971
7	Shimsha	4.335
8	**Actual Energy excluding Hydro including Shimsha & Mani dam (5+6+7)**	**6214.128**

   The Commission notes that CESC has not furnished the break up for the quantum of hydro included in the energy balancing carried out among ESCOMs.

2. CESC shall furnish the breakup details for arriving at 5956.06 MU as the power purchase quantum for RPO purpose.

CESC in its reply has furnished the following break up:

Sl. No.	Particulars	FY22
1	Total Energy of CESC	8648.94
2	KPCL Hydel	2421.306
3	Priyadarshini Jurala	15.642
4	TB Dam	4.170
5	**Total energy excluding Hydro (1-2-3-4)**	**6207.822**
6	Mani Dam	1.971
7	Shimsha	4.335
8	**Actual Energy excluding Hydro including Shimsha & Mani dam (5+6+7)**	**6214.128**
9	IEX	-270.204
10	SRTPV	12.137
11	**Net Actual Energy (8+9+10)**	**5956.06**

3. At page 21, the Non-solar energy procured is indicated as 723.59 MU, whereas, as per Table-A page-12 to 17, the non-solar energy purchased is as follows:

Generation source	MU
Medium term co-gen	148.67
CO-gen others	47.80
Biomass	4.87
Mini-hydel	290.58
Wind	178.72
Banked	53.801
Total as per Table-A, page-12 to 17	**724.441**
Add Mani	2.15
Add Shimsha	4.607
Grand Total	**731.198**

The CESC was directed to reconcile the non-solar energy purchased with final audited accounts data.

CESC in its reply has furnished the following details:

Sl. No.	Particulars	As per Hon'ble KERC Observations	Compliance as per CESC	Remarks
1	Medium Term co-gen	148.67	148.67	
2	Co Gen Others	47.80	47.80	
3	Bio-Mass	4.87	4.87	

4	Mini Hydel	290.58	282.98	The APPC energy of 7.595 MU (included in Mini Hydel total energy) has to be deducted from total mini hydel energy i.e. (290.58-7.595 =282.98)
5	Wind mill	178.72	178.72	
6	Banked Energy	53.801	53.801	
7	**Total as per Table-A, Page-12 to 17**	**724.441**	**716.84**	
8	Add Mani dam	2.15	2.15	
9	Add Shimsha	4.607	4.607	
10	**Grand Total**	**731.198**	**723.60**	

4. At page 21, the Solar energy procured is indicated as 1052.66 MU, whereas as per Table-A page-12 to 17, the solar energy purchased is as follows:

Generation source	MU
Solar PPA	992.29
NTPC VVNL	10.39
NTPC NSM	143.51
Solar Roof-Top	12.14
Solar-Banked	0.089
Total as per Table-A, page-12 to 17	1158.419
Less APPC	3.19
Less Energy sold at Green tariff (3.189MU) & GTAM (102.562 MU)	105.751
Grand Total	1049.478

The CESC was directed to reconcile the solar energy purchased with final audited accounts data. Also the quantum of 3.19 MU under APCC is not indicated in Table-A.

The CESC was also directed to furnish the breakup details of Green energy (Solar and Non-solar) sold and purchased in the market (through Energy Exchanges) for FY22.

CESC in its reply has furnished the following:

Sl. No.	Particulars	MU	Compliance as per CESC	Remarks
1	Solar PPA	992.29	992.29	
2	NTPC VVNL	10.39	10.39	
3	NTPC NSM	143.51	143.51	
4	Solar Roof Top	12.14	12.14	

5	Solar Banked	0.089	0.084	
6	**Total as per Table-A, Page-12 to 17**	**1158.419**	**1158.414**	
7	Less APPC	3.19	0	* See Compliance note
8	Less energy sold at green tariff and GTAM	105.751	105.751	
9	**Grand Total**	**1049.478**	**1052.663**	

***Compliance Note: The solar energy mentioned under Sl. No.5. i.e. 3.19MU is not purchased under APPC but it is the energy sold by CESC under Green tariff. It is wrongly mentioned under Sl. No.5. However, same is mentioned under Sl. No.6 as sold under Green tariff in page No.21.**

The Green energy sold in the market is as follows:

Sl. No.	Month /Duration	Energy Sold In Kwh
GTAM Solar		
1	Apr-21	4329820
2	May-21	2198898
3	Jun-21	5371408
4	Jul-21	13767333
5	Aug-21	14043960
6	Sep-21	25194703
7	Oct-21	9823983
8	Nov-21	9030218
9	Dec-21	2528952
10	Jan-22	42722
11	Feb-22	102821
12	Mar-22	0
	GTAM Solar Total	**86434818**
GDAM Solar		
1	Oct-21	411274
2	Nov-21	5549019
3	Dec-21	5870771
4	Jan-22	694458
	GDAM Solar Total	**12525522**
DAC Solar		
1	Dec-21	3145880
2	Jan-22	18927
3	Feb-22	437167
	DAC Solar Total	**3601974**
Grand Total(GTAM+GDAM+DAC)		**102562314**

Solar Energy sold by CESC under Green Tariff;		
Sl. No.	**Name of the Consumer**	**Energy**
1	M/s. Mahindra Holiday Resorts India Ltd (Virajpet) (RR No.VHT-25)	807968
2	M/s. Mahindra Holiday Resorts India Ltd (Madikeri) (RR No.MHT15)	555985
3	M/s. Bank Note Paper Mill India Pvt Ltd (RR No.VVEHT-278)	1825488
	TOTAL	**3189441**

However, green energy is not purchased in the market for FY22.

5. For validating the RPO compliance and to work out APPC, CESC was directed to furnish the data in the specified format, duly reconciling the data with audited accounts for FY22 clearly indicating the banked energy, IEX energy etc., explicitly.

   CESC in its reply has furnished the following:

   a. Non-solar RPO:

TABLE – 4.7
Non Solar RPO Compliance (CESC's Submission)

Sl. No.	Particulars	Quantum in MU	Cost-Rs. Crs.
1	Total Power Purchase quantum from all sources excluding Hydro energy	5956.06	3721.83
2	Non-Solar Renewable energy purchased under PPA route at Generic tariff including Non-Solar RE purchased from KPCL	521.127	189.85
3	Non-Solar Short term purchased from RE sources, excluding sec-11 purchase. (Medium term Co-gen)	148.67	58.38
4	Non-Solar Short term purchased from RE sources under sec-11	0	0.00
5	Non-Solar RE purchased at APPC	7.59	2.58
6	Non-Solar RE pertaining to green energy sold to consumers under green tariff	0	0.00
7	Non-solar RE purchased from other ESCOMs/Market	0	0.0
8	Non-Solar RE sold to other ESCOMs/market	0	0.00
9	Non-Solar RE purchased from any other source like banked energy purchased at 85% of generic tariff	53.801	0.00
10	Total Non-Solar RE Energy purchased (No 2+No.3+No.4+No.5+No.7+No.9)	731.188	250.82

Sl. No.	Particulars	Quantum in MU	Cost-Rs. Crs.
11	Non-Solar RE accounted for the purpose of RPO (No.10-No.5-No.6-No.8)	723.598	248.24
12	Non-Solar RPO complied in % (No.11/No.1)*100	12.149%	

b. Solar RPO:

TABLE – 4.8
Solar RPO Compliance (CESC's Submission)

Sl. No.	Particulars	Quantum in MU	Cost-Rs. Crs.
1	Total Power Purchase quantum from all sources excluding Hydro energy	5956.06	3721.83
2	Solar energy purchased under PPA route at Generic tariff including Solar energy purchased from KPCL	992.29	454.01
3	Solar energy purchased from Short Term, excluding sec-11 purchase.	0	0.00
4	Solar Short term purchased from RE sources under sec-11	0	0.00
5	Solar energy purchased under APPC	0	0.00
6	Solar energy pertaining to green energy sold to consumers under green tariff	3.19	0.16
7	solar energy purchased from other ESCOMs/Market	0	0.00
8	Solar energy sold to other ESCOMs/Market	102.562	41.84
9	Solar energy purchased from NTPC (or others) as bundled power	153.89	81.74
10	Solar energy purchased from any other source like banked energy purchased at 85% of Generic tariff(Banked Energy 0.084+SRTPV 12.137)	12.22	3.74
11	Total solar energy purchased (No 2+No.3+No.4 +No.5+No.7+ No.9+ No.10)	1158.400	539.49
12	Solar energy accounted for the purpose of RPO (No.11-No.5-No.6-No.8)	1052.64	497.50
13	Solar RPO complied in % (No.12/No.1)*100	17.67%	

Commission's decision:

The Commission notes that CESC has not furnished the details of hydro energy included in the energy balance out of the total quantum of 81.835 MU. In absence of data the Commission, has proceeded without considering the same.

The replies furnished by CESC is noted and the RPO compliance based on the replies furnished and considering the audited accounts data, is discussed in the following paragraphs:

i) Input energy net of hydro:

The input energy net of hydro is computed as indicated below:

1	Input energy-MU	8390.87
2	KPCL hydro including Shimsha & Mani-MU	2335.908
3	Shimsha & Mani-MU as per replies	6.757
4	KPCL hydro excluding Shimsha & Mani-MU (Sl. No.2-Sl.No.3)-MU	2329.151
5	Other Hydro-MU	20.217
6	Hydro under energy balance	0.00
7	Total hydro-MU (Sl. No.4+Sl.No.5)-MU	2349.368
8	Input energy net of Hydro- MU (Sl. No.1-Sl.No.7+Sl.No.6)	6041.502

Note: CESC has not furnished the quantum of hydro included in energy balance and hence considered as zero.

ii) Non-solar RPO compliance

The Non-solar quantum purchased as per audited accounts / Table -A is as follows:

Source	MU
Co-generation PPA	47.80
Co-generations Others	148.667
Bio-mass	4.87
Mini hydel	290.58
Wind	178.72
Shimsha & Mani	6.757
Banked energy	53.801
Less Non-solar energy sold in market	0.00
Less energy under APPC	-7.59
TOTAL- Non-solar purchased	723.605

Considering the input energy net of hydro of 6041.502 MU and the non-solar energy of 723.605 MU, the CESC has complied with RPO to the extent of 11.98% against the target of 12% for FY22. Thus, CESC against the target of 724.980MU has met 723.605MU and therefore, there is a shortfall of 1.375 MU in meeting non-solar RPO. However, as per the extant Regulations, the above shortfall of 1.375MU is set off against the excess solar energy available after meeting the solar RPO. Thus, CESC has complied with non-solar RPO for FY22.

iii) Solar RPO compliance

The Solar quantum purchased as per audited accounts / Table - A is as follows:

Source	MU
Solar PPA	992.288
NVVN - Bundled	10.39
NSM - bundled	143.51
SRPTV	12.137
Banked energy	0.084
Less Solar energy sold in market	-102.56
Less green energy sale	-3.19
TOTAL solar purchased	**1052.659**

Note: PCKL has informed that neither solar nor non-solar energy is purchased from exchanges/market. Hence, solar or non-solar energy purchased from exchanges/market is considered as Zero.

Considering the input energy net of hydro of 6041.502 MU and the solar energy of 1052.581MU, the CESC has complied with RPO to the extent of 17.42% against the target of 10.50% for FY22. Thus, CESC has purchased 418.301 MU of excess solar energy beyond the specified target. After adjusting 1.375MU, the net excess solar energy is 416.926MU (416926 MWh). Hence, CESC has met the solar RPO for FY22.

4.2.5 Operation and Maintenance Expenses:

CESC's Submission:

CESC, in its Petition, has requested to approve O&M expenses of Rs.818.56 Crores for FY22 as against the approved O&M expenses of Rs.887.12 Crores. The break-up of O&M expenses as claimed by CESC for FY22 is tabulated below:

TABLE – 4.9
O & M Expenses – CESC's submission

Amount in Rs. Crores

Particulars	FY22
Employee cost	640.72
Repairs and Maintenance	71.25
Administrative & General Expenses	106.59
Total O & M Expenses	**818.56**

CESC in its Petition, has submitted that the normative O&M expense for FY22 works out to Rs.802.71 Crores considering Weighted Inflation Index of 7.96% and Consumer Growth Index of 4.23%. However, considering the actual employee cost of Rs.640.72 Crores, R&M cost of Rs.71.25 Crores and A&G expenses of Rs.106.59 Crores, the total O&M expense incurred for FY22 is Rs.818.56 Crores.

CESC has requested the Commission to consider the actual O&M expenses of Rs.818.56 Crores for truing up for FY22.

Commission's Analysis and Decisions:

The Commission, in its Tariff Order dated 9th June, 2021 had approved the O&M expenses as detailed below:

TABLE – 4.10
Approved O&M Expenses

(Amount in Rs. Crores)

Particulars	FY22
No. of installations as per actuals as per Audited Accounts	3528047
Weighted Inflation Index	7.9586%
CGI based on 3 Year CAGR	3.69%
Base Year O&M expenses projected as per actuals of FY20 (Rs. Crores)	738.32
Total approved O&M Expenses for FY22 in Rs. Crores.	**887.12**

The Commission in its preliminary observations, has observed that CESC has indicated Rs.159.05 Crores and Rs.189.04 Crores towards terminal benefits for FY22 and FY24. CESC was directed to submit the computation sheet for claiming these amounts, along with the Actuarial Valuation Report, for the relevant period.

CESC in its replies, has submitted the computation sheet & actuarial valuation report for claiming the terminal benefits for FY22. Further, CESC has informed that the projected amount has been calculated considering weighted inflation index of WPI & CPI amount availed for FY22.

The Commission has taken note of the replies furnished by CESC. The Commission, in accordance with the provisions of the MYT Regulations and the methodology adopted while approving the ARR for FY22 and earlier APRs, hereby determines the normative O&M expenses based on the 12 year data of WPI and CPI besides considering 3-year Compounded Annual Growth Rate (CAGR) of consumers. The inflation rate to be allowed for FY22 is computed by considering the Wholesale Price Index (WPI) (as per the data available from the Ministry of Commerce & Industry, Government of India) and Consumer Price Index (CPI) (as per the data available from the Labour Bureau, Government of India) and adopting the methodology followed by the CERC with CPI and WPI in a ratio of 80:20, is tabulated below:

TABLE - 4.11
Inflation to be allowed for FY22

Year	WPI	CPI	Composite Series	Yt/Y1=Rt	Ln Rt	Year (t-1)	Product [(t-1)*(LnRt)]
2010	89.7	61.1	66.82				
2011	98.2	66.5	72.84	1.09	0.09	1	0.09
2012	105.7	72.7	79.3	1.19	0.17	2	0.34
2013	111.1	80.6	86.7	1.30	0.26	3	0.78
2014	114.8	85.7	91.52	1.37	0.31	4	1.26
2015	110.3	90.8	94.7	1.42	0.35	5	1.74
2016	110.3	95.3	98.3	1.47	0.39	6	2.32
2017	114.1	97.6	100.9	1.51	0.41	7	2.88
2018	118.9	102.4	105.7	1.58	0.46	8	3.67
2019	121.2	110.2	112.4	1.68	0.52	9	4.68
2020	121.8	116.3	117.4	1.76	0.56	10	5.64
2021	135.0	122.0	124.6	1.86	0.62	11	6.85
A= Sum of the product column							30.25
B= 6 Times of A							181.51
C= (n-1)*n*(2n-1) where n= No of years of data=12							3036.00
D=B/C							0.06
g(Exponential factor)= Exponential (D)-1							0.0616
e=Annual Escalation Rate (%)=g*100							**6.1611**
As per CERC Notification No.Eco T I / 2022-CERC dated 30.03.2022 with weightage of 80% on CPI and 20% on WPI							

While determining the normative O & M expenses for FY22, the Commission has considered the following:

a) The actual O & M expenses as per the audited accounts for FY19 as the base year O&M expenses and the normative O&M expenses of FY20 and FY21 excluding contribution to Pension and Gratuity Trust.
b) The three-year compounded annual growth rate (CAGR) of the number of installations considering the actual number of installations as per the audited accounts up to FY22 at 4.23%.

c) The weighted inflation index (WII) at 6.1611% as computed above.

d) Efficiency factor at 2% as considered in the earlier control periods.

Thus, the normative O & M expenses for FY22 is as follows:

TABLE – 4.12
Normative O & M Expenses for FY22

Amount in Rs. Crores

Particulars	FY22
No. of Consumers as per audited accounts	3583588
Compounded Annual Growth rate in % (CAGR) of No. of Installations as per actuals / projections	4.23%
Inflation Index in %	6.1611%
Efficiency Factor as per MYT Regulations	2%
Allowable normative O&M Index= 0&M (t-1)*(1+WII+CGI-X)	**740.44**

The above normative O&M expenses have been computed without considering the contribution of terminal benefits to P&G Trust for FY22. Thus, the allowable normative O&M expenses works out to Rs.740.44 Crores for FY22.

The Commission notes that, as per the audited accounts, CESC has incurred the additional employee cost of contribution of Terminal benefits to P&G Trust of Rs.158.73 Crores for FY22. Thus, the Commission as per the provisions of MYT Regulation has decides to consider the contribution of terminal benefit to P&G Trust of Rs.158.73 Crores as the uncontrollable O&M expenses for FY22.

Thus, the allowable O&M expenses along with the additional employee cost towards contribution of terminal benefits to P&G Trust for FY22 is as under:

TABLE – 4.13
Allowable O & M Expenses for FY22

Amount in Rs. Crores

Sl. No.	Particulars	FY22
1	Normative O & M expenses	740.44
2	Additional employee cost (contribution to P&G Trust)	158.73
3	**Total Allowable O&M expenses for FY22**	**899.17**

The Commission notes that, CESC in its filing has claimed the O&M expenses of Rs.818.56 Crores as per audited accounts which also includes the contribution of terminal benefits to P&G Trust of Rs.158.73 Crores towards P&G Trust for FY22. The Commission further notes that, as per the audited accounts and the other details submitted by CESC, the actual total O&M expenses by including the contribution of terminal benefit to P&G Trust for FY22 is Rs.818.59 Crores.

As the O&M expenses are controllable expenses as per the provision of MYT Regulation, allowing the O&M expenses beyond the actual O&M expenses incurred would be a burden to the end consumers. Thus, the Commission by considering the submission of CESC to allow the actual O&M expenses in order to reduce the incurred burden on the consumers, decides to allow the actual O&M expenses (inclusive of contribution of terminal benefits to P&G Trust) of Rs.818.59 Crores for FY22.

Thus, the Commission by considering the request of CESC, decides to allow the actual O&M expenses of Rs.818.59 Crores for FY22.

4.2.6 Depreciation:

CESC's Submission:

CESC, in its Petition, has claimed an amount of Rs.346.55 Crores as depreciation without considering the depreciation of Rs.84.89 Crores on asset created by consumer contribution / grants as against Rs.198.72 Crores approved by the Commission for FY22.

The asset-wise depreciation claimed by CESC are as follows:

TABLE – 4.14

Depreciation for FY22- CESC's Submission

Amount in Rs. Crores

Particular	FY22
	Depreciation
Buildings	5.97
Land and rights	0.05
Hydraulic/Civil	0.28
Other Civil	0.15
Plant & M/c	68.80
Towers, Poles, fixture, overhead conductors, UG cables and devices	264.37
Vehicles	0.59
Furniture	3.47
Office Equipment	0.91
Intangible assets	1.95
Total	**346.55**
Depreciation on assets created out of Consumer contribution/ grants	84.89
Net Depreciation	**261.66**

Commission's Analysis and Decisions:

The Commission in its preliminary observations, has observed that CESC, in its filing has indicated opening and closing balance of GFA amounts under Format D-15. However, the GFA created out of consumer contribution & grants were not mentioned. Accordingly, CESC was directed to furnish the revised D-15 Format, duly indicating the opening & closing balances, additions, retirement of assets created out of consumer contribution & grants for the FY22, FY23 and FY24 in order to verify the compliance of the directive of the Hon'ble ATE Order in OP 46/2014 and for allowing the net depreciation on the GFA thereon for FY22.

As directed by the Commission, CESC in its reply to the preliminary observations, has submitted that it has adopted income approach for reducing the grants subsidies received on capital assets along with the requisite details.

The Commission notes that CESC, in its application has claimed Rs.346.55 Crores as depreciation without factoring the depreciation on assets created out of consumer contribution / grants for FY22.

The Commission, notes that as per the audited accounts, the gross depreciation on the gross fixed assets for FY22 is Rs.346.55 Crores. However, as per Note 31 under 'other income' of the Audited accounts, the depreciation on assets created out of consumer contribution / grants as per the Accounting Standard AS-12 has been accounted for Rs.84.8864 Crores for FY22. The Commission in accordance with the provisions of the KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006 and amendments thereon, has computed the depreciation for FY22 duly considering the opening and closing balances of gross blocks of fixed assets for FY22 and the depreciation as per audited accounts. Accordingly, the weighted average rate of depreciation works out to 5.57%. Further, as per the Accounting Standards (AS)–12, an amount of Rs.84.89 Crores of depreciation on assets created out of consumer contribution / grants accounted under Other Income has been factored in and deducted from the gross depreciation for FY22. The details are as shown below:

TABLE - 4.15

Allowable Depreciation for FY22

Amount in Rs. Crores

Particular	FY22 Depreciation
Buildings	5.97
Hydraulics	0.28
Civil	0.15
Plant & Machinery	69.88
Line, Cable Network	263.31
Vehicles	0.59
Furniture	3.46
Office Equipment	0.91
Computers	1.94
Released assets re issued to works	0.00
Land / lease hold assets	0.06
Intangible assets	0.00
Total	**346.55**
Less: Depreciation on assets created out of Consumer contribution / Grants	84.8864
Net Allowable Depreciation	**261.67**

Thus, the Commission decides to allow the net depreciation of Rs.261.67 Crores for FY22.

4.2.7 Capital Expenditure- APR for FY22:

1. **CESC Submission:**

The CESC, in its application for APR for FY22, has indicated a capital expenditure of Rs.595.81 Crores as against the Commission approved capex of Rs.650.00 Crores for FY22. The CESC, in its filing has furnished the breakup of category-wise expenditure of Rs.595.81 Crores for FY22, as shown in the following Table:

TABLE – 4.16

Break up of Capital expenditure for FY22

(Amount in Rs. Crores)

Sl. No.	Schemes	Approved by KERC for FY22	Actual Expenditure in FY22
1	Extension and Improvement	233.20	269.22
2	IPDS	1.58	0.91
3	DDUGJY	1.62	7.58
4	DDG	1.00	
5	Replacement of failed transformers	5.00	0.29

Sl. No.	Schemes	Approved by KERC for FY22	Actual Expenditure in FY22
6	Service Connection (WS, IP SET, New Connection)	195.00	216.19
7	TSP - Energisation of IP Set	0.2	0.47
8	SCP - Energisation of IP Set	1.09	1.35
9	Special development Programme (SDP)	6.25	19.54
10	Ganga Kalyana - Energisation of IP Set	46.64	48.13
11	Tools and plants	3.00	3.72
12	Civil Engineering works	30.00	25.67
13	Providing meters to DTC, BJKJ, Street light, Replacement of electromechanical meters, Providing modems to meters for communication, Providing LT Distribution box with MCCB	3.82	0.00
14	IT initiatives	1.59	2.73
15	New Projects	120.00	-
Total		**650.00**	**595.81**

2. Commission's Analysis and Decision:

a) The Commission, in its Tariff Order dated: 9th June 2021, had recognized the capex of Rs.650 Crores for FY22 as approved in the MYT Order dated 30.05.2019.

CESC, in its tariff application, has indicated actual capital expenditure of Rs.595.81 in the Table 'Details of approved and actual capital expenditure for FY22' and in Page No. 23 and in Format - A3-Cashflow statement, the actual capex is shown as Rs.664.80 Crores, whereas in Format D-17 (Capital Works in Progress), it is shown as Rs.893.71 Crores (includes capital expenditure of Rs.664.80 Crores, capitalized interest and finance charges of Rs.6.80 Crores, other expenses capitalized of Rs.177.08 Crores and Turnkey contractors control account of Rs.45.03 Crores).

As per Format D-17, by considering opening balance and closing balance of the Capital Works in progress and asset categorized the capex incurred during FY22 works out to Rs.886.91 Crores. However, the total capital expenditure as indicated in sl.no (i) to (v) of Format D-17 works out to Rs.893.71 Crores. In view of the discrepancies in the figures, the Commission, in its preliminary observations had directed CESC to furnish the reasons for the same.

In view of the inconsistent figures relating to the actual capex incurred for FY22, the Commission in its preliminary observations had directed CESC to furnish correct capex incurred under each sub-head of account code 14 series for FY22 duly agreeing with the figures in audited accounts, along with proper justification for exceeding approved capex.

The CESC, in its reply to the preliminary observations has submitted that the net incurred capex is of Rs.595.81 Crores for FY22, which is arrived at duly deducting capex of Rs.68.99 Crores incurred towards replacement of failed transformers from total incurred capex of Rs.664.80 Crores. The Commission has taken note of the details furnished in the **revised D-17 Format,** wherein, CESC has stated that Rs.290.59 Crores is towards Self Execution works capitalised during the financial year.

b) If the actual capex of Rs.893.71 Crores is considered for APR purposes, the excess capex incurred over and above the approved amount works out to Rs.243.71 Crores. The Commission, in its preliminary observations had directed CESC to explain as to why the consequential costs towards capex incurred over and above the approved amounts, should not be disallowed in tariff.

The Commission notes the reply submitted by CESC, wherein CESC has stated that the CWIP incurred is not Rs.893.71 Crores. The difference is the assets created out of consumer contribution and by crediting advance which was paid in earlier years. The details are shown as below:

Particular's	Amount booked in Rs.Crores
CWIP Booked against sanctioned budget for FY22 (New works)	233.07
CWIP Booked against sanctioned budget for FY22 (Spill works)	346.86
CWIP Booked duly crediting capital advance paid during earlier year	84.87
Total	**664.80**

Further, CESC has stated that total CWIP spent during FY22 is of Rs.579.94 Crores which is within the Commission approved capital expenditure. However, CESC has not furnished the reasons for difference of Rs.15.87 Crores as against net incurred capex of Rs.595.81 Crores, indicated in the Table 'Details of approved and actual capital expenditure for FY22.

c) The Commission, in its preliminary observations had directed CESC to furnish the details of sources of funding (like Loans, grants, debt, equity and internal sources) for the capex of Rs.893.71 Crores incurred during the FY22 along with break up details for internal sources of funding.

In reply, CESC has furnished the source of funding details to meet the capex of Rs.579.93 Crores. The details are as under:

(Amount in Rs. Crores)

1	GoI Grant	40.96
2	GoK Grant	15.74
3	Corporation Grant	4.58
4	Fresh borrowings	123.27
5	Internal resource	395.38
6	**Total (1 to 5)**	**579.93**

d) CESC has indicated Rs.123.27 Crores as fresh borrowings in page no.23, pertaining to sources of funding together with cost for fresh borrowings, whereas the same is shown as Rs.625.22 Crores in Format D-9. In view of this the Commission, in its preliminary observations had directed CESC to confirm the amount of fresh borrowings during FY22.

CESC in its reply has submitted that during FY20, FY21 & up to Sept-2021, no Bank had come forward for sanctioning the CAPEX loan. Further M/s REC was requested to sanction loan of Rs.616.50 Crores to carry out the capex works & also to discharge the pending capex liability. In the meantime, the capex works were met though the revenue collected. Further M/s REC Ltd has sanctioned Rs.498.33 Crores loan for the Capex works and the same was utilized for clearance of pending Power purchase dues. **Hence the fresh borrowings of Rs.625.22 Crores in D-9 Format are correct** for which breakup is as follows.

Sl No	Particulars	Amount in Rs.Crores
1	Total Loan drawn in FY 2022 as shown in format D9	625.22
a)	Less: Utilised for making power purchase payments	496.33
b)	Payment made out of loan as per statement of sources of funding	123.27
c)	Total payment made out of loan (a+b)	619.60
d)	Difference loan amount paid in FY23 (1-c)	5.62

Further, CESC has requested the Commission to consider an amount of Rs.625.22 Crores as fresh borrowing shown in the D-9 Format. Such practice will lead to financial indiscipline and would lead to serious problems in future cash flow management.

e) CESC has indicated that an amount of Rs.216.19 Crores has been incurred against service connections (WS, IP set, New connection). Regarding this, the Commission in its preliminary observations had directed CESC to furnish Division-wise abstract of number of installations serviced and cost thereon along with details of funds received from the Government (towards water supply, UNIP) and the amounts spent from CESC's funds.

The summary of the no. of installations serviced and cost thereon furnished by CESC, in its reply towards Water supply, IP set & New Connection, are as under:

Particulars	No. of installations serviced	Amount in Rs. Crores
water supply	123	3.89
IP sets	20178	191.05
New connection	143327	21.25

f) The Commission, in its preliminary observations had directed CESC to furnish Division-wise abstract of number of IP sets energized and cost thereon, under Ganga Kalyana scheme, TSP and SCP scheme for having incurred capex of Rs.48.13 Crores, Rs.0.47 Crores and Rs.1.35 Crores respectively, along with the amount of grants received from the GoK.

The detailed statement showing the division-wise abstract of number of IP sets energized and cost thereon, under Ganga Kalyana scheme, TSP and SCP scheme as submitted by CESC in reply, are as under:

Particulars	No. of bore wells energized	Amount in Rs. Crores
Gangakalyana	2139	48.13
SCP	61	1.35
TSP	22	0.47

Further, CESC has stated that it has received grant of Rs.4.575 Crores in respect of Gangakalyana works and Rs.15.74 Crores as equity from the GoK.

g) CESC, in its list of capitalized works furnished to the Commission to carry out Prudence Check, has indicated 22 number of works amounting to Rs.117.80 Crores towards Model Sub-Division / Conversion of overhead lines into UG/AB cable in Mysore City. In view of this, the Commission, in its preliminary observations had directed CESC to furnish Division-wise/feeder-wise abstract of work in progress and quantified analysis on the following parameters, before and after implementation of the project.

I. Benefits to the consumers due to reduction of distribution losses and interruptions, through energy savings due to reduction in Hours of interruptions.
II. Improved Reliability due to reduction in interruptions and improvement in quality of power supply vis-à-vis envisaged in DPR.
III. Reduction of number of Electrical Accidents.

In reply, CESC has stated that it has successfully completed the works of conversion of Overhead to Underground for 39 feeders in four subdivisions namely, Kuvempunagar, Central zone, Hootgally and NR Mohalla subdivisions of NR Mohalla and VV Mohalla O&M divisions and further stated that all the 39 feeders are commissioned.

The summary of the achievements for the entire 39 feeders furnished by CESC is as under:

Particulars	Before	After
Interruption duration (Hours) per Annum	233.93	54.08
Distribution losses	13.08%	6.93%
SAIFI	6267 Nos.	2177 Nos.
SAIDI	233130 mins	58571 mins
Electrical Accidents	1	0

The Energy savings due to reduction in Hours of interruptions is 6083717 Units. CESC also highlights total amount of Rs.5.17 Crores per year (6083717*8.5) saved by implementation of the project. The same is arrived at by considering APPC cost of Rs.8.5/unit.

The Commission notes that after incurring the capex, the benefits realized in terms of amount per annum is very meagre. CESC need to justify, whether proposing such type of project is feasible in terms of financial aspects of the company and tariff implications to the consumers.

In the view of the above observations, CESC is directed to analyze the financial feasibility of any scheme and arrive at precise benefits to be achieved from such schemes/ investments, before taking up any such scheme. **In future, CESC shall submit the Capex request for any new work/scheme duly supported by the details of the benefits anticipated/ to be achieved so that the end consumers,** who ultimately have to bear the burden of the cost of investment are kept informed of the benefits of the schemes they are going to get.

The Commission, after reviewing the capex achieved by CESC for FY22, decides to recognize net incurred capex of Rs.595.81 Crores, which is below the approved capex of Rs.650 Crores for FY22. The capex approved by the Commission for FY22 is to outside the preview of any enquiry conducted / to be conducted by the Department / any agency on the capital works.

3. Revised Capex for FY23:

CESC has indicated revised capex of Rs.725 Crores for FY23 in its filing, duly proposing head-wise re-appropriation as per the capex approved in MYT Order

2022. CESC shall incur the capex within the approved capex for FY23, if necessary by reallocating the savings in one head of capex to the other head of capex where additional capex is required. The Commission would examine the same during the truing up exercise (APR for FY23) to be taken up later.

4. Prudence Check of Capital Expenditure for FY21 and FY22:

a) The Commission, in its Tariff Orders dated 4th November 2020 and 9th June 2021, had allowed Capital expenditure incurred by the CESC for the period FY21 and FY22 respectively, subject to carrying out the prudence check of the various works undertaken by CESC. Accordingly, the Commission had entrusted the work of conducting prudence check of capital expenditure to the Consultants.

The Consultants have submitted the report in the matter and as per their report, the following is the summary of findings in respect of work of Prudence Check for FY21 and FY22:

Financial Year	FY21		FY22	
Particulars of works executed and selected for prudence check	**(No.s)**	**(Rs. in Cr.)**	**(No.s)**	**(Rs. in Cr.)**
Works executed, costing above Rs. 5 Lakhs	1,108	349.22	875	213.45
Works selected for carrying out prudence check	186	247.43	183	152.87
Percentage of works selected for carrying out prudence check	16.79%	70.85%	20.91%	71.62%
Abstract of Prudent/Non-Prudent works	**(No.s)**	**(Rs. in Cr.)**	**(No.s)**	**(Rs. in Cr.)**
Total no. of Prudent works	182	246.97	179	152.04
Total no. of Prudent works subject to conditions	0	0.00	0	0.00
Total no. of non-graded works	0	0.00	2	0.69
Total no. of works non-prudent including those not completed	4	0.46	2	0.14
Abstract of Cost overrun works	**(No.s)**	**(Rs. in Cr.)**	**(No.s)**	**(Rs. in Cr.)**
No. of works with no cost overrun	137	133.56	146	122.80
No. of works with cost overrun up to 10%	32	67.59	29	5.61
No. of works with cost overrun between 10% to 25%	3	1.01	2	0.24
No. of works with cost overrun exceeding 25%	14	45.27	4	23.53
Abstract of Time overrun works	**(No.s)**	**(Rs. in Cr.)**	**(No.s)**	**(Rs. in Cr.)**
No. of works with no time overrun	130	137.36	125	116.52
No. of works with time overrun up to 1 year	35	72.51	47	18.94
No. of works with time overrun between 1 year to 2 years	18	32.42	7	16.42
No. of works with time overrun more than 2 years	3	5.14	2	0.30

The Commission had forwarded a copy of the report of the Consultant to CESC for information and to submit its comments on the findings of the report in the matter of imprudent works.

After analyzing CESC's replies on the findings of the Consultant on the imprudent works and justifications furnished by CESC, the Commission has decided to disallow the corresponding depreciation and interest on loans pertaining to DTC metering work amounting to Rs.0.13 Crores for FY21, among the samples selected by the consultant, do not qualify for being treated as prudent. The corresponding disallowances have been made in the revised ARR under APR for FY22.

As per the Report, one Link Line work executed in Basaralu section pertaining to FY21, is considered as conditionally prudent in CESC. It is reported by CESC, after completion of link line work, necessary breaker was not provided by the KPTCL. Hence, the link line was not commissioned and put to use. In view of the reason for the work being treated as imprudent is attributable to KPTCL.

The observations on this work were communicated to KPTCL for obtaining comments from KPTCL. Since the reply from KPTCL was not received on time, the disallowance or otherwise on this work, will be reviewed in the ensuing Tariff Order, after analyzing KPTCL's replies and CESC's comments thereon.

b) Review of Dis-allowance towards imprudent works pertaining to FY19 & FY20:

The Commission, in the Tariff Order 2022 dated 04.04.2022, has considered two works as Prudent from the date on which work is treated as prudent in respect of (i) Regularization for T.W.O Jinnenahalli feeder from 66/11kV Hirisave MUSS to 12 Nos. village (imprudent work of FY20) and (ii) Providing 27 nos. 25/100/25KVA DTCs is wiring, Deep drawn meters LT metering metal Box with CTS and LT ETV meter having DTLMS facility under DDUGVY scheme on TTK Basis at F8 B Hosuru feeder (Imprudent work of FY19). In view of treating these works as prudent during the financial year, the disallowance upto the date for which they remained imprudent, shall have to be given effect.

Accordingly, the corresponding depreciation and interest on loans allowed by the Commission in the tariff, have to be disallowed in APR of FY22, as detailed below:

The amount to be disallowed for CESC in APR of FY22 due to imprudent works of FY19, FY20 & FY21 (Amount in Rs.Crores)		
The amount to be disallowed for CESC due to imprudent works of FY21 (Amount in Rs.Crores)		
1	**Name of the imprudent Work :** Providing wiring of 397 nos of 25/63/100/250KVA DTC's of Deep down LT meating metal box with CT's and LT Electronic tri-vector meter having DLMS Compliant and other materials for DTC metering works under DDUGJY on total turnkey basis of F4-Rechamballi feeder, F8 J-G-pura, Ambale,Gangavadi& F13-Goolipura feeder in Honganuru Section S-M-Hally S/D.	0.13
2	Target date of completion, Year of completion and categorization	12.04.2018, 10.02.2018, 31.03.2021
3	The capex not meeting the prudence norms at 0.13 Crores is 8.02% (0.13/1.62) of cost of total sample of Rs.1.62 Crores in category of DTC Metering. When this is escalated to the total categorized amount of Rs. 190.56 Crores** in respect of DTC Metering **(0.13*(190.56/1.62))	15.29
4	Period for which amount to be disallowed towards works not meeting prudence norms calculated on the basis of weighted average interest and weighted average depreciation on the amount in the above item.	10.02.2018 to 31.03.2022
a	Amount to be disallowed for FY19	0.232
b	Amount to be disallowed for FY20	0.015
c	Amount to be disallowed for FY21	0.013
d	Amount to be disallowed for FY22	0.018
5	**Sub-total amount to be disallowed(A)**	**0.278**
The amount to be disallowed for CESC due to imprudent works of FY20 (Amount in Rs.Crores)		
1	**Name of the imprudent Work :**Regularization for T.W.O Jinnenahalli feeder from 66/11kV Hirisave MUSS to 12 Nos. village.	1.78
2	Target date of completion, Year of completion and categorization	13.02.2020, 01.03.2019, 30.11.2019
3	Period for which amount to be disallowed towards works not meeting prudence norms calculated on the basis of weighted average interest and weighted average depreciation on the amount in the above item.	01.04.2021 to 18.07.2021
4	**Amount to be disallowed for FY22**(up to FY21, disallowed in the MYT Order 2022)**(B)**	**0.074**
The amount to be disallowed for CESC due to imprudent works of FY19 (Amount in Rs.Crores)		
1	**Name of the imprudent Work :**Providing 27 nos 25/100/25KVA DTCs is wiring, Deep drawn meters LT metering metal Box with CTS and LT ETV meter having DTLMS complaint under DDUGVY scheme on TTK Basis at F8 B hosuru feeder	0.06
2	Target date of completion, Year of completion and categorization	03.08.2019, 31.03.2019, 31.03.2019

3	Period for which amount to be disallowed towards works not meeting prudence norms calculated on the basis of weighted average interest and weighted average depreciation on the amount in the above item.	01.04.2021 to 20.05.2021
4	**Amount to be disallowed for FY22**(up to FY21, disallowed in the MYT Order 2022)**(C)**	**0.001**
Grand Total (A+B+C)		**0.353**

While arriving at the above amounts for disallowance, **the weighted average rate of interest on loans and depreciation** considered as below:

Weighted Average depreciation rate and interest								
	FY19		FY20		FY21		FY22	
Company	Wt. Avg. Depreciation rate	Wt. Avg. Interest	Wt. Avg. Depreciation rate	Wt. Avg. Interest	Wt. Avg. Depreciation rate	Wt. Avg. Interest	Wt. Avg. Depreciation rate	Wt. Avg. Interest
CESC	5.16%	11.53%	5.21%	11.23%	5.63%	10.21%	5.28%	9.22%

In view of the above, the Commission hereby disallows Rs.0.353 Crores for FY22 towards depreciation and interest on loans allowed in respect of imprudent works. Accordingly, the same is ordered to be deducted in APR of FY22.

c) CESC is directed to note the following observations made in the Report of Prudence Check and take suitable actions/measures in future while implementing a scheme / project in order to avoid disallowance of amounts towards imprudent works and also to realize the benefits as envisaged in the DPR:

Key Observations:

i) In few cases, primary objectives were not clearly defined and therefore targets to be achieved from the projects were also not spelt out clearly.
ii) Scheme/work wise sources of the funding such as Equity, Debt or Internal Resource details are not maintained properly. Expenditure is incurred out of total pool of funds of CESC, which includes own funds as well as borrowed funds.
iii) System of post execution analysis of the works is not in place. No initiative/exercise was found to be taken towards checking the results achieved after the execution and reasons for not achieving the objectives.
iv) There is no nodal/focal point for records & details which is essential for any validation/analysis exercise. Scattered records & details often provided contradictory information which made it difficult to corroborate/validate the details.

v) The project data provided in the prescribed format was not readily available in most of the cases and was filled up during the field visits.

vi) CESC has not followed the capital expenditure guidelines issued by KERC. The objectives are not clearly defined & quantified; alternatives are not considered in most cases. Further, data w.r.t. pre & post execution of works are not recorded in many cases.

Key Recommendations:

i) CESC has a very strong system of project monitoring, where progress of works is monitored at every stage and deviations from the target/schedule are worked upon, however, the monitoring process ends with the completion/commissioning of the works. The area of project monitoring may be extended to procure & monitor details of performance of the capital works post commissioning, especially major works like substations/lines etc. to ensure that the objective for taking up of the project are met. This is essential at least during the first performance phase of the work.

ii) UG cables may be an option in locations such as highly congested city centers/urban localities, where overhead line rights of way are not available, near airports and other locations where an overhead line may endanger lives, and in scenic areas where appearance is an important consideration.

iii) The field officers are required to be made aware of the capital expenditure guidelines. This would facilitate in better understanding of the relevance of prudence check and implications of not meeting the specified parameters. Further, availability and quality of data would also improve.

iv) There should be system of comprehensive post execution evaluation, especially in case of major works, where in the data with regard to the parameters (especially achievement of objective) as prescribed by the prudence check guidelines are to be provided. The data in respect of all the works should be analysed and thereafter, sample should be selected for validation/prudence check. This would make the prudence check exercise more effective.

v) The DPR/Estimate should quantify the objectives to be achieved. This would facilitate in evaluation of the achievement post execution. Further, alternatives possible/considered are also to be provided in the DPR/Estimate.

vi) CESC may introduce a system of maintaining scheme/work-wise sources of the funding/financial plan and recording the same in the evaluation sheet. Sources of funding such as Equity, Debt or Internal Resource Funding may be clearly identified/documented work wise. This shall enable analysis of cost of funds invested and opportunity cost of the work. Analysis of sources/cost of funds is essential as the schemes/works may provide technical benefits in terms of improvement of efficiency & power supply, however, the objective of best utilisation of limited financial resources may not necessarily be achieved.

vii) Optimization studies have been taken up by CESC, with reference to transformer capacities or establishing transformers in stages particularly in urban areas based on the load growth and avoidance of excess capacity creation. Hence, it is suggested to carry out similar initiatives wherever required.

viii) Energy audit assessment of sub-stations has been regularly conducted to identify the losses and estimate operating efficiency. For the reduction of energy losses and efficiency improvement on sub-station levels, desired action plan should be effectively implemented.

ix) Stores comprise a significant proportion of the expenditure of CESC. Centralized store accounting and monitoring system should be put in place. This would be helpful in more effective internal control over the stores and facilitate need based store procurement.

x) CESC should also adopt a system ABC analysis of stock. It has proved to be a very effective internal control & stores management mechanism for many power utilities likes PGCIL, NTPC, NHPC & other state power utilities. The system requires the inventory to be divided into three categories- "A items" with very tight control and accurate records, "B items" with less tightly controlled and good records, and "C items" with the simplest controls possible and minimal records. The ABC analysis provides a mechanism for identifying items that will have a significant impact on overall inventory cost, while also providing a mechanism for identifying different categories of stock that will require different management and controls. The ABC analysis suggests that inventories of an organization are not of equal value. Thus, the inventory is grouped into three categories (A, B, and C) in order of their estimated importance. 'A' items are very important for an organization. Because of the high value of these 'A' items, frequent value analysis is required. In addition to that, an organization needs to choose an appropriate order pattern (e.g. ‘Just- in- time’) to avoid excess capacity. 'B' items are important, but of course less important than 'A' items and more important than 'C' items. 'C' items are marginally important.

xi) CESC should implement the system of periodical (preferably annual) physical verification of stores with special emphasis on major items. This exercise should also include identification of slow/non-moving items apart from obsolete items. The exercise should also verify the costing system of the stores as that impacts the cost of capital works.

xii) CESC should follow a system of post execution productivity approval of the Capital works commissioned during a period by the project approval committee. This would ensure that the objectives for each project are clearly defined and the same is monitored post execution and corrective measures, if necessary, may be taken up in time.

4.2.8 Interest and Finance Charges:

a) Interest on Capital loan:

CESC's Submission:

CESC in its Petition, has claimed an amount of Rs.135.77 Crores as the interest on capital loan as against the approved amount of Rs.146.80 Crores for FY22. As per the details of the opening balance of loans, new borrowings, repayment and the closing balance of capital loan amount, the weighted average of the interest on capital loans claimed by CESC works out to 8.12%.

Commission's Analysis and Decisions:

The Commission in its preliminary observations, had observed that the CAPEX loan and interest details mentioned in page No.36 of the application are not agreeing with the data given in D-9 Format. Accordingly, CESC was directed to reconcile the same and submit the revised data for consideration of the Commission.

CESC in its reply to the preliminary observations, has submitted a revised table pertaining to interest on Capital Loan & Working Capital Loan as per audited accounts duly tallying with the amount shown in D-9 format. Accordingly, the Commission notes that, the revised actual interest on working capital incurred for FY22 is Rs.118.69 Crores.

The Commission notes the capital loan portfolio of CESC as per the audited accounts and the details submitted in the reply and the interest on capital loans considered thereon for FY22. Accordingly, the Commission by considering the loan portfolio and the interest on capital loan claimed thereon as per the audited accounts and the details submitted by CESC, decides to allow the interest on capital loan as under:

TABLE – 4.17

Allowable Interest on Capital Loans – FY22

Amount in Rs. Crores

Particulars	FY22
Opening balance of capital secured & unsecured loans	1251.66
Add: New Loans availed during the year	625.23
Less: Repayments during the year	182.96
Total loan at the end of the year	1693.93
Average Capital Loan	**1472.80**
Interest on capital loans	**135.77**
Weighted average rate of interest on capital loans in %	**9.22%**

The Commission notes that the weighted average rate of interest on capital loan on the actual interest amount of Rs.135.77 Crores works out to 9.22% for FY22. Thus, the weighted average rate of interest of 9.22% on the average capital loan is comparable with the prevailing rate of interest being charged by Banks / Financial institutions for long term loans.

Thus, the Commission decides to allow an amount of Rs.135.77 Crores towards interest on capital loans for FY22.

4.2.9 Interest on Working Capital:

CESC's Submission:

CESC in its application, has claimed an amount of Rs.118.69 Crores towards working capital interest on short term loans/overdrafts as against the approved amount of Rs.105.22 Crores for FY22. Further, CESC has informed that it has raised short-term loans to meet its day-to-day expenditure and investment during FY22.

Commission's Analysis and Decisions*:*

The Commission, in its preliminary observations, has observed that CESC, in its Annual Accounts, has included both the working capital loan amounts and loans availed for capital works. CESC was directed to submit a revised statement bifurcating the loan for CAPEX and working capital separately for FY22 and FY24.

CESC in its replies, has submitted the revised D-9 format, duly indicating the Secured & Un-secured Capex loan & working capital loan duly tallied with the annual accounts of CESC for FY22 and also the balances for FY23 & FY24.

The Commission has noted the short-term loan portfolios and the overdraft availed by CESC and the rate of interest at which the short-term loans/ overdrafts have been availed by CESC during FY22. Considering the rate of interest charged by the Banks/Financial Institutions for the short-term working capital loan availed by CESC, the Commission, in accordance with the MYT Regulations and considering the audited Accounts, decides to allow the interest on working capital loan at the rate of 9.50% p.a.

The Commission has computed the allowable interest on working capital for FY22 as per the KERC (Terms and Conditions for Determination of Tariff Distribution and Retail Sale of Electricity) Regulations, 2006 and amendments thereon, as under:

TABLE – 4.18
Allowable Interest on Working Capital for FY22

Amount in Rs. Crores

Particulars	FY22
O & M Expenses	818.59
One-twelfth of the amount of O & M expenses	68.22
Opening GFA as per Audited Accts.	5768.99
Stores, materials and supplies-1% of opening balance	57.69
One-sixth of the Revenue	812.37
Total Working Capital	938.27
Rate of Interest at 9.50% (MCLR of 1 year + 250 base points – 7.00% + 2.50% = 9.50%)	9.50%
Normative allowable Interest on Working Capital	**89.14**
Actual interest on WC as per audited accounts	**118.69**
Interest on Working Capital as claimed	118.69
Allowable Interest on Working Capital (Since the actual Int. WC is more than the normative allowable amount, the same is restricted as per norms)	**89.14**

Thus, the Commission decides to allow an amount of Rs.89.14 Crores towards interest on working capital for FY22.

4.2.10 Interest on Consumer Security Deposits:

CESC's Submission:

CESC, in its filing, has claimed an amount of Rs.29.40 Crores towards payment of interest on consumers' security deposits as against Rs.36.78 Crores approved by the Commission for FY22.

Commission's Analysis and Decisions:

The Commission, in its preliminary observations, has observed that CESC has indicated the opening and closing balance of Consumer Security Deposits as Rs.782.52 Crores and Rs.872.88 Crores. Whereas in Note-24 of Annual Accounts for FY22, the opening and closing balance of consumer's security deposit as on 01.04.2021 and 31.03.2022 is Rs.817.95 Crores and Rs.872.88 Crores. Accordingly, CESC was directed to submit the reconciled data.

CESC, in its reply to the preliminary observation, has submitted that during FY22 the amount pertaining to Meter security deposit was reclassified. Hence, there is change in closing balance for FY21 & opening balance of FY22, and the same is rectified. Accordingly, CESC has requested the Commission to consider Rs.29.40 Crores as actual interest paid towards the consumer security deposits for FY22.

The Commission has noted the opening and closing balance of consumer security deposit amount and the amount of interest on security deposit as per the audited accounts for FY22. The Commission has further noted that, as per the audited accounts, CESC has incurred Rs.29.40 Crores for FY22. As per the KERC (Interest on Security Deposit) Regulations 2005, the interest on consumer security deposit shall be allowed as per the Bank Rate prevailing on the 1st of April of the relevant year. The applicable RBI Bank Rate as on 1st April, 2021 was 4.25%. The weighted average rate of interest allowed by CESC for FY22 is 3.48% is within the applicable Bank Rate. The Commission therefore decides to consider the actual interest on Consumer Security Deposit booked on the basis of amount of deposit held by CESC and payment of interest thereon for FY22.

The allowable interest on consumer security deposits, by reckoning the amount of Consumers' Security Deposit, as per the audited accounts is as under:

TABLE - 4.19

Allowable Interest on Consumer Security Deposit for FY22

Amount in Rs. Crores

Particulars	FY22
Opening balance of consumer security deposits	817.96
Closing Balance of consumer security deposits	872.88
Average balance	845.42
Allowable Rate of Interest in %	4.25%
Interest on consumer deposit claimed as per audited accounts	29.40
Allowable Interest on consumer deposit	**29.40**

Thus, the Commission decides to allow the actual amount of Rs.29.40 Crores towards interest on consumer security deposit for FY22.

4.2.11 Other Interest and Finance charges:

CESC in its filing, has claimed an amount of Rs.12.70 Crores towards other interest and finance charges to raise the loans for FY22.

The Commission notes that, as per the audited accounts, CESC has incurred Rs.3.20 Crores and Rs.9.50 Crores towards finance charges and guarantee commission to GoK for FY22.

The Commission, as per the audited accounts, decides to allow Rs.12.70 Crores towards other interest and finance charge for FY22.

4.2.12 Interest on belated payment of Power Purchase Cost:

CESC, in its filing has claimed an amount of Rs.57.04 Crores towards interest on belated payment of power purchase bill amount. This amount also includes Rs.0.9175 Crores toward carrying cost on differential tariff arrears from 01.07.2017 to March, 2022 payable on account of Change-in-law.

Commission's Analysis and Decisions:

The Commission in its preliminary observations, has observed that, CESC has claimed Rs.91,74,669 towards interest on belated payment of power purchase cost which is stated to be on account of Change-in-Law condition. CESC was directed to furnish the details of the cases along with Petition No. and date of the order of the competent court.

CESC, in its reply to the preliminary observations, has submitted the details in respect of power purchase cost and has requested the Commission to consider the same on account of change in law in view of the Order of the KERC dated 06.04.2022 in O.P. No. 163/2017.

The Commission notes that, as per the audited accounts, the CESC has incurred an amount of Rs.57.04 Crores towards Interest on belated payment of Power Purchase dues for FY22. The Commission has been consistently allowing the interest on working capital loans as per the norms under MYT Regulations to meet the day to day expenses. Hence, there is no justification for the delay in arranging payments towards power purchase bills and incurring expenses towards interest on power purchase dues.

Thus, the Commission has not allowed the interest on belated payment of power purchase bills claimed by CESC for FY22 and directs CESC to meet the same from the interest allowed on working capital as per norms under MYT Regulations. Towards the additional power purchase cost of Rs.0.92 Crores incurred by CESC on account of Change-in-law, as ordered by the Commission in OP 163/2017 dated 06.04.2022, the Commission decides to allow Rs.0.92 Crores for FY22.

4.2.13 Capitalization of Interest and finance charges:

CESC in its filing has claimed Rs. 6.80 Crores as capitalization of interest on capital loan as against Rs.12.00 Crores approved by the Commission for FY22.

Commission's Analysis and Decisions:

The Commission notes that as per the audited accounts, the capitalization of interest on capital loan is Rs.6.80 Crores for FY22. Thus, the Commission decides to allow Rs.6.80 Crores towards capitalization of interest on capital loan for FY22.

The abstract of Interest and Finance Charges allowed by the Commission for FY22 is as under:

TABLE – 4.20
Allowable Interest and Finance Charges for FY22

Amount in Rs. Crores

Sl. No.	Particulars	FY22
1.	Interest on Loan capital	135.77
2.	Interest on working capital loan	89.14
3.	Carrying cost on differential tariff arrears on account of Change –in-law	0.92
4.	Interest on consumer deposits	29.40
5.	Other interest and finance charges	12.70
6.	Less: Interest and other finance charges capitalized	-6.80
7.	**Total interest and finance charges**	**261.13**

4.2.14 Other Debits:

CESC's Submission:

CESC has claimed an amount of Rs.10.18 Crores towards Other debits for FY22 as detailed below:

TABLE – 4.21
Other Debits for FY22- CESC's Submission

Amount in Rs. Crores

Sl. No.	Particulars	FY22
1.	Small and low value items written off	0.02
2.	Loss / gains relating to fixed assets	1.11
3.	Assets decommissioning cost	0.74
4.	Bad debts written off	0.30
5.	Provision for Bad & Doubtful Debts	-0.21
6.	Miscellaneous losses and write off	7.34
7.	Others	0.89
	Total	**10.18**

Commission's Analysis and Decisions:

The Commission in its preliminary observations, has observed that CESC has claimed Rs.7.34 Crores as "Miscellaneous Losses & Write Offs" under the head 'Other Debits' for FY22. CESC was directed to submit the breakup details for Rs.7.34 Crores.

As directed, CESC in its replies to the preliminary observation, has submitted the break-up of "Miscellaneous Losses & Write Offs" amounting to Rs.7.34 Crores. Further, CESC has informed that in order to comply with provision of IND AS for impairment of assets to an extent of Rs.3.66 Crores, provision is made during FY22, but it has not been booked during FY21. This is the reason for increase in "Miscellaneous Losses & Write Offs" under the head 'Other Debits' when compared to FY21.

The Commission has taken note of the items of expenditure under other debits accounted as per the audited accounts for FY22. While claiming other debits, CESC has included the net amount of Rs.0.68 Crores towards provision for bad and doubtful debts for FY22. As per the provisions of MYT Regulations, the Commission has been allowing the actual bad debts written off and has not been allowing the provisions, which are estimates. Hence, by excluding the provisions made by CESC for bad and doubtful debts, the amount of Other Debits is worked out as under:

TABLE – 4.22

Allowable Other Debits

Amount in Rs. Crores

Sl. No.	Particulars	FY22
1	Assets decommissioning cost	0.736
2	Miscellaneous losses and write offs	7.339
3	Small & Low Value items written off	0.0153
3	Losses relating to fixed assets	1.115
4	Bad debts written off	0.02996
	Total	**9.50**

Thus, the Commission decides to allow an amount of Rs.9.50 Crores as other debits for FY22.

4.2.15 Return on Equity:

CESC's Submission:

CESC in its filing has not claimed any amount towards Return on Equity for FY22 due to negative net-worth.

Commission's Analysis and Decisions:

i. Debt – Equity Ratio Vis-à-vis GFA:

The Commission notes the opening and closing balances of gross fixed assets along with break-up of equity and loan component and the details of GFA, debt and equity (net-worth) for FY22, as per the actual data as per the audited accounts, are indicated in the following Table:

TABLE – 4.23
Status of Debt Equity Ratio for FY22

Amount in Rs. Crores

	GFA	Debt	Equity (Net-worth)	Normative Debt @ 70% of GFA	Normative Equity @ 30% of GFA	%age of actual debt on GFA	%age of actual equity on GFA
	(Actuals)	(Actuals)	(Actuals)				
Opening Balance	5768.99	1251.66	-918.90	4038.29	1730.70	21.70%	-15.93%
Closing Balance	6673.38	1693.93	-1312.12	4671.37	2002.01	25.38%	-19.66%

From the above table it is seen that the debt and equity amounts are within the normative debt and equity ratio reckoned on the basis of the opening and closing balances of GFA for FY22.

ii. RoE Allowable:

As per the KERC (Terms and Conditions for Determination of Tariff) Regulations, 2006 and amendments thereon, the allowable Return on Equity at 15.5% has to be computed on the equity plus the accumulated balance of profit/loss under Reserves & Surplus account as per the audited accounts as at the beginning of the year and also factoring recapitalization of security deposit amount in compliance with the Orders of the Hon'ble ATE in Appeal No.46/2014. Accordingly, the total net-worth at the beginning of FY22 is Rs.(-)918.90 Crores.

Further, it is noted that as per the audited accounts, an additional equity of Rs.15.74 Crores has been received by CESC during the year in different dates from the State Government. Considering the actual dates of receipt of the additional equity, the Commission as per the provision of MYT Regulations has determined the allowable return on additional equity as detailed below:

TABLE – 4.24

RoE on additional Equity received during the FY22

Amount in Rs. Crores

Additional Equity received during FY22	Amount in Crs	Received on	No. of Months	RoE allowed
Energy 246 PSR 2021 dtd 19.07.2021	8.22	29.07.2021	8	0.85
Energy 283 PSR 2021 dtd 03.08.2021	0.65	17.08.2021	7	0.06
Energy 282 PSR 2021 dtd 04.08.2021	3.11	18.08.2021	7	0.28
Energy 283 PSR 2021 dtd 18.03.2022	0.65	25.03.2022	0	0.00
Energy 282 PSR 2021 dtd 18.03.2022	3.11	25.03.2022	0	0.00
Total	**15.74**			**1.19**

Thus, an additional equity of Rs.15.74 Crores has been infused by the State Government during FY22. Hence, the total allowable RoE is worked out below:

TABLE – 4.25

Allowable Return on Equity

Amount in Rs. Crores

Particulars	FY22
Opening Balance Paid Up Share Capital	1033.96
Opening Balance Share deposit	35.69
opening balance of Accumulated deficit	-1965.56
Less Recapitalization of Consumers' security deposit	-23.00
Total opening balance of Equity	**-918.90**
RoE on Opening Equity	**0.00**
Additional Equity Infused during the Financial year	15.74
Total Equity by including the additional equity received during the year	-903.16
Total RoE Approved by Commission during FY22	**0.00**

The Commission notes that even after considering the additional equity of Rs.15.74 Crores infused by the GoK during FY22, the overall net equity of CESC remains negative and hence, no RoE is allowed for FY22.

Thus, considering the negative opening balance of net equity, the Commission decides not to allow any Return on Equity for FY22.

4.2.16 Income Tax:

CESC in its filing, has submitted that for all the years of the Control Period, the Company's books show accumulated losses and hence no provision has been made for taxes and that if any taxes are payable/ paid the same will be claimed as per actuals. Thus, CESC has not indicated any amount towards provision for taxation for FY22.

Commission's Analysis and Decisions:

The Commission notes that CESC has not booked any amount towards taxes as per audited account and hence not retained the same in the APR for FY22. Hence, **the Commission decides not to allow any amount towards income tax for FY22.**

4.2.17 Other Income:

CESC's Submission:

CESC in its application has claimed an amount of Rs.293.03 Crores as Other Income as against Rs.77.67 Crores approved by the Commission for FY22.

Commission's Analysis and Decisions:

The Commission has taken note of the various items of other income earned by the CESC as per the audited accounts for FY22. CESC in its audited accounts, has indicated Rs.386.08 Crores as other income for FY22. This includes rental from staff and others, rebate on Electricity tax, rebate on power purchase bills, miscellaneous recoveries, other miscellaneous income, etc.

Further, as decided in the earlier tariff orders, to encourage and bring in financial discipline in timely payment of monthly power purchase bills, the Commission decides to continue to allow Rs.1.38 Crores being 10% of total incentive of Rs.13.76 Crores received on account of early payment of power purchase bills to be retained by CESC for FY22. It is noted that, an amount of Rs.93.05 Crores, being the interest levied on the delayed payment of bills by the consumers has been booked under "Other Income". This amount has been considered and included under revenue from sale of power and miscellaneous charges by the Commission for FY22. Further, CESC as per the audited account has booked an amount of Rs.84.89 Crores towards Grants and consumer contribution related to PPE apportioned amount for the year (depreciation on asset created out of consumer contribution / grant) under "Other Income" for FY22. The Commission has considered this amount as deduction from the depreciation amount allowable for FY22. By excluding these amounts, the Commission has considered Rs.206.76 Crores as allowable "Other Income" for FY22.

Thus, the Commission decides to allow an amount of Rs.206.76 Crores as other income for FY22.

4.2.18 Fund towards Consumer Relations / Consumer Education:

CESC, in its filing, has not claimed any expenditure incurred towards consumer relations / consumer education for FY22.

Commission's Analysis and Decisions:

The Commission notes that as per the audited account, CESC has incurred expenditure of Rs.0.04 Crores for FY22 towards Consumer Relations/Consumer Education booked under A&G expenses. Thus, the Commission decides to allow Rs.0.04 Crores towards consumer relation / education for FY22.

4.2.19 Carrying Cost on the Regulatory Asset:

The Commission due to unprecedented reasons had issued the Tariff Order, 2020 on 4th November 2020, which was made effective from 1st November, 2020. Due to total lockdown declared by the GoI/GoK on account of Covid-19 pandemic, pendency of Appeal No. 97 of 2020 filed by KPTCL before the Hon'ble Tribunal against the Commission's Order dated 16.01.2020 and the disposal of the Appeal on 05.10.2020 and the applicability of the Code of Conduct on account of announcement of bye-election to the Assembly Constituencies, the Tariff Order could not be issued in time. While issuing the Tariff Order to reduce the burden on the end consumers particularly during the adverse financial situation due to the setback of economic activities during the lockdown period, the Commission decided to give effect of the revision in Retail Supply Tariff with effect from 1st November, 2020 which has resulted in recovery of additional revenue only for a period of 5 months during FY21. The remaining unmet gap of 7 months of Rs.154.33 Crores had been kept as Regulatory Asset, which was allowed to be recovered during FY22 and FY23. **The carrying cost on the said amount works out to Rs.15.43 Crores for one year at 10% per annum. Thus, the**

Commission decides to allow Rs.15.43 Crores towards carrying cost on the Regulatory Asset for FY22.

4.2.20 Revenue for FY22:

The CESC, in its application as per the audited accounts has considered Rs.4874.20 Crores as sale of power from consumers and miscellaneous charges which also includes tariff subsidy of Rs.1878.04 Crores on account of BJ/KJ and IP set installations an amount of Rs.93.05 Crores being the delayed payment charges from consumers accounted under other income head of account.

Commission's Analysis and Decisions:

The Commission notes that CESC as per the audited accounts has indicated Rs.4874.20 Crores as the revenue from sale of power and miscellaneous charges by recognizing the delayed payment charges of Rs.93.05 Crores included under other income for FY22.

Accordingly, the Commission decides to consider Rs.4874.20 Crores as revenue from sale of power to consumers and miscellaneous charges for APR of CESC for FY22.

4.2.21 Tariff Subsidy for FY22:

The Commission in its Tariff Order dated 9th June, 2021 had approved tariff subsidy of Rs.1929.88 Crores towards sale of power to BJ/KJ and IP sets for FY22, in accordance with the prevailing Government Order. CESC in its filing has claimed an amount of Rs.1878.04 Crores as subsidy towards sale of power to BJ/KJ and IP Sets for FY22.

Commission's Analysis and Decisions:

The Commission notes that the subsidy payable to BJ/KJ and IP Set installations as per audited accounts is Rs.77.91 Crores and Rs.1800.15 Crores towards BJ/KJ and IP Set installations respectively for FY22.

As stated earlier, the Commission has allowed sales as per audited accounts of 95.12 MU and 2971.38 MU towards BJ/KJ and IP set installations. Accordingly, the Commission as per the audited accounts had taken into consideration the subsidy corresponding to the said consumption amounting to Rs.77.91 Crores and Rs.1800.14 Crores for FY22.

Thus, the Commission as against the approved subsidy of Rs.1929.88 Crores in the ARR as per Tariff Order 2021 dated 9th June, 2021 for FY22, decides to consider revised subsidy of Rs.1878.05 Crores towards sale of power to BJ/KJ and IP set installations for FY22, after the Annual Performance Review for FY22.

4.3 Abstract of Approved ARR for FY22:

As per the above item-wise decisions of the Commission, the consolidated Statement of revised ARR for FY22 is as follows:

TABLE – 4.26

CESC's Approved revised ARR for FY22 as per APR

Amount Rs.in Crores

Sl. No.	Particulars	APR FY22		
		As approved on 09.06.2021	As filed	As approved under APR of FY22
1	Energy at Gen Bus-MU	7866.43	8390.87	8390.87
2	Transmission Losses in %	2.978%	10.17%	10.17%
3	Energy at Interface in MU	7632.17	7537.42	7537.42
4	Distribution Losses in %	10.75%	11.32%	11.32%
5	**Sales in MU**			
	Sales to other than IP & BJ/KJ	3651.51	3617.70	3617.70
	Sales to BJ/KJ	95.33	95.12	95.12
	Sales to IP	3064.87	2971.38	2971.38
	Total Sales	**6811.71**	**6684.20**	**6684.20**
6	**Revenue in Rs. Crs**			
	Revenue from tariff and Misc. Charges	3046.45	2996.16	2996.15
	Tariff Subsidy to BJ/KJ	69.50	77.90	77.91
	Tariff Subsidy to IP	1860.38	1800.14	1800.14
	Total Revenue	**4976.33**	**4874.20**	**4874.20**
7	**Expenditure in Rs. Crs**			
	Power Purchase Cost	3510.22	3529.33	3529.33
	Transmission charges of KPTCL	490.92	494.39	494.39
	SLDC Charges	3.98	3.98	3.98
	Power Purchase Cost including cost of Transmission	**4005.12**	**4027.70**	**4027.70**
8	Employee Cost		640.72	
9	Repairs & Maintenance	887.12	71.25	818.59
10	Admin & General Expenses		106.59	
	Total O&M Expenses	**887.12**	**818.56**	**818.59**
11	Depreciation	198.72	346.55	261.67
	Interest & Finance charges:			
12	Interest on Loans	146.80	135.77	135.77

Sl. No.	Particulars	APR FY22		
		As approved on 09.06.2021	As filed	As approved under APR of FY22
13	Interest on Working capital	105.22	118.69	89.14
14	Interest on belated payment on PP Cost / Carrying Cost on differential Tariff	0.00	57.04	0.91
15	Interest on consumer deposits	36.78	29.40	29.40
16	Other Interest & Finance charges	0.00	12.70	12.70
17	Less: interest capitalized	-12.00	-6.80	6.80
18	**Total Interest & Finance charges**	**276.80**	**346.80**	**261.13**
19	Other Debits	0.00	10.18	9.50
20	Net Prior Period Debit/Credit	0.00	0.00	0.00
21	Return on Equity	0.00	0.00	0.00
22	Provision for Income Tax	0.00	0.00	0.00
23	Funds towards Consumer Relations/Consumer Education	0.50	0.00	0.04
24	Approved Regulatory Assets as per T.O.04.11.2020 for FY22 (Carrying cost)	77.17	0.00	15.43
25	Other Income	-77.67	-293.03	-206.76
26.	**ARR**	**5367.76**	**5256.77**	**5187.30**
27	Carry forward Surplus/Deficit (-) as per APR for FY20	187.07	0.00	0.00
28	Penalty for increase in distribution losses	0.00	0.00	-13.00
29	Less: Disallowance of capex on account of prudence check for FY19 and FY20	0.00	0.00	-0.853
30	**Net ARR**	**5180.69**	**5256.77**	**5173.94**
31	**Net Surplus/deficit(-) for FY22 carried forward to ARR for FY22**		**-382.57**	**-299.74**

4.3.1 Gap in Revenue for FY22:

The Commission, after the Annual Performance Review of CESC, decides to allow a revised ARR of Rs.5173.94 Crores as against an approved ARR of Rs.5180.69 Crores, for FY22. Considering the revenue of Rs.4874.20 Crores, a revenue gap of Rs.299.74 Crores is approved by the Commission for the FY22.

The Commission decides to carry forward the revenue gap of Rs.299.74 Crores of FY22 to the revised ARR for FY24, as discussed in the subsequent Chapter of this Order.

CHAPTER – 5

ANNUAL REVENUE REQUIREMENT FOR FY24

5.0 Annual Revenue Requirement for FY24

CESC vide its application dated 30th November, 2022, has sought approval of the Commission for the revised ARR for the FY24 and the revision of retail supply tariff for FY24. The summary of the proposed ARR for FY24 is as follows:

TABLE – 5.1
Proposed ARR for FY24

Amount in Rs. Crores

Sl. No	Particulars	As approved in TO 04.04.2022	As filed
1	Energy at Generating Bus in MU	8137.86	8245.68
2	Transmission Losses in %	2.764%	2.764%
3	Energy at Interface in MU	7912.93	8017.77
4	Distribution Losses in %	10.35%	10.60%
	Sales in MU		
6	Sales to other than IP & BJ/KJ	3738.15	3916.80
7	Sales to BJ/KJ	96.56	97.03
8	Sales to IP sets	3259.23	3154.07
	Total Sales	**7093.94**	**7167.89**
	Revenue at existing tariff Rates:		
9	Revenue from tariff and Misc. Charges	0.00	3475.45
10	Tariff Subsidy to BJ/KJ	0.00	78.69
11	Tariff Subsidy to IP Sets	0.00	2018.60
	Total Existing Revenue including Miscellaneous Revenue	**5503.93**	**5572.74**
	Expenditure:		
12	Power Purchase Cost	3511.37	4018.16
13	Transmission charges of KPTCL	580.93	581.61
14	SLDC Charges	3.43	3.43
15	**Total Power Purchase Cost including cost of transmission**	**4095.73**	**4603.20**
16	Employee Cost		763.57
17	Repairs & Maintenance		84.68
18	Admin & General Expenses	979.46	127.14
19	**Total O&M Expenses**	**979.46**	**975.39**
20	Depreciation	317.40	431.85
	Interest & Finance charges:		
21	Interest on Capital Loans	165.83	216.01
22	Interest on Working capital	100.99	221.83

Sl. No	Particulars	As approved in TO 04.04.2022	As filed
23	Interest on belated payment on PP Cost	0.00	0.00
24	Interest on consumer deposits	40.22	64.60
25	Other Interest & Finance charges	5.44	12.70
26	Less: interest & other expenses capitalised	-10.00	-10.00
27	**Total Interest & Finance charges**	**302.49**	**505.14**
28	Other Debits	0.00	12.20
29	Net Prior Period Debit/Credit	0.00	0.00
30	Provisions for Income Tax	0.00	0.00
31	Return on Equity with MAT	0.00	0.00
32	Funds towards Consumer Relations/Consumer Education	0.50	0.00
33	Carrying Cost on Regulatory Assets	0.00	0.00
34	Less: Other Income	-135.77	-287.89
35	**ARR**	**5559.81**	**6239.90**
36	Surplus / deficit (-)for FY22 carried forward	0.00	-382.57
	Net ARR	**5559.81**	**6622.46**
	Net Deficit for FY24	**-55.88**	**-1049.72**

CESC in its petition, has requested the Commission to approve the revised Annual Revenue Requirement of Rs.6622.46 Crores for FY24 including the deficit of Rs.382.57 Crores for FY22. Considering the estimated revenue from sale of power to the consumers and miscellaneous revenue at the existing tariff of Rs.5572.74 Crores, CESC has projected the revenue gap of Rs.1049.72 Crores for FY24. In order to bridge the revenue gap of Rs.1049.72 Crores for FY24, the CESC has proposed the average increase in retail supply tariff by 146 paise per unit in respect of all category of consumers including BJ/KJ and IP set consumers for FY24.

5.1 Annual Performance Review for FY22 & FY23:

As discussed in the preceding chapter of this Order, the Commission has carried out the Annual Performance Review for FY22 based on the audited accounts and other relevant records furnished by CESC. Accordingly, a gap of Rs.299.74 Crores of FY22, is required to be carried forward to the ARR of FY24.

As regards APR for FY23, it is noted that the financial year 2023 is yet to be completed and the accounts thereon are yet to be finalized, hence the

Commission decides to take up the APR of FY23, while taking up the revision of ARR / Retail Tariff, if any, for FY25.

5.2 Annual Revenue Requirement for FY24:

5.2.1 Capital Investments for FY24:

1. CESC Proposal:

The CESC, in its Tariff application, has proposed the Capex of Rs.725.00 Crores, Rs.750.00 Crores for FY23 and FY24. The details of capex proposed under various heads for FY24, are as under:

TABLE – 5.2
CESC's Proposed Capex for the Period FY24

SL NO	SCHEMES	Amount in Rs.Crores
1	Extension and Improvement	200.00
2	Replacement of failed transformers	5.00
3	Service Connection(WS,IP SET, New connection)	325.00
4	TSP-Energisation of IP Set	5.00
5	SCP-Energisation of IP Set	10.00
6	Special development Programme (SDP)	20.00
7	Gangakalyana-Energisation of IP Set	115.00
8	Tools & plants	10.00
9	Civil Engineering works	25.00
10	Providing meters to DTC, BJKJ, Streetlight, Replacement of electromechanical meters, Providing modems to meters for communication, Providing LT Distribution box with MCCB	20.00
11	IT initiatives-	
a	Software Licenses and Antivirus cost maintaining cyber security	1.00
b	Up gradation of deteriorated IT Infrastructure	2.00
c	Fixing of DTC Meter/ 4G Modems to achieve AMR for RAPDRP area	2.00
12	DSM Activities	10.00
Total		**750.00**

2. Commission's Analysis and Decision:

a. CESC has proposed the Capex of Rs.750 Crores for FY24, as per the capex approved in the MYT Order 2022, against the works proposed to be taken in FY24, as indicated in above Table.

b. The Commission, in its preliminary observations had directed CESC to furnish division-wise abstract of following works to be taken up along with cost.

i. E&I works costing Rs.200 Crores;
ii. Service connection works costing Rs.325 Crores;
iii. GK works costing Rs.115 Crores.
iv. Other works costing Rs.110 Crores.

The Division-wise Cost breakup abstract in respect of above works as submitted by CESC in its reply are as under:

TABLE - 5.3

Projected Capex for FY24- by CESC

(Amount in Rs. Crores)

Sl. no.	Name of the Division	E&I Works	Service Connection Works	Ganga Kalyana Works	Other Works
1	N.R Mohalla	9.11	3.08	2.17	7.00
2	V.V Mohalla	9.75	3.80	2.56	7.00
3	Nanjanagud	11.53	9.47	12.94	6.00
4	Hunsur	19.85	15.42	10.65	6.50
5	K.R.Nagar	6.59	12.65	9.96	6.00
6	C.H.Nagar	15.72	32.88	12.00	6.00
7	Kollegala	12.34	17.95	9.14	6.00
8	Kodagu	18.85	10.87	3.89	5.50
9	Maddur	11.92	17.33	8.24	6.00
10	Mandya	6.59	14.61	5.36	6.00
11	P.Pura	15.12	24.72	5.38	6.00
12	K.R.Pet	10.56	15.59	4.43	6.00
13	Nagamangala	7.78	16.73	4.35	6.00
14	Hassan	8.03	27.31	3.34	6.00
15	Sakaleshapura	11.97	31.31	7.05	6.00
16	C.R.Patna	8.82	31.95	4.65	6.00
17	Arasikere	6.79	14.32	5.47	6.00
18	H.N.Pura	8.68	25.01	3.42	6.00
	Total	**200.00**	**325.00**	**115.00**	**110.00**

Further, CESC has stated that budgetary allocation is made based on the previous year's allocations/ achievements. The number of works will be finalized after finalization of left out works of FY23 as spill over works and new works proposals for FY24.

Based on the reply furnished by CESC, in respect of Capital Investment Plan for FY24, the Commission has reckoned and retained the capex of Rs.750 Crores for FY24, as approved in the MYT Order 2022. However, to avoid front loading of interest on capital loan and depreciation thereon in the retail supply tariff the Commission decides to reckon capex of Rs.625 Crores for the determination of revised ARR for FY24. The capital expenditure allowed is subject to prudence check to be taken up by the Commission. Considering CESC's projected availability of capital grants from GoI / GoK and the internal resources and the amount of works to be carried out under self-execution and deposit contribution by CESC, for the execution of capex, the Commission considers Rs.425 Crores for the purpose of ARR, as capital borrowings for FY24.

The approved capex for FY24 is subject to the following directions:

i) **CESC is directed to strictly adhere to the directions issued in the MYT Order 2022, in respect of incurring the Capex for FY24, without any violations. Otherwise, the Commission will be constrained to take appropriate action as may be deemed necessary against CESC for violation of said directions.**

ii) **If there is any excess expenditure in any head of expenditure, the same shall be met from the savings in any other approved heads of expenditure within the capex approved by the Commission, excluding the Central / State scheme works.**

iii) **The capex approved by the Commission to carry-out the Central / State scheme works shall not be re-appropriated to any other category of capital expenditure head.**

iv) In case, the approved capex is likely to be exceeded prior approval of the Commission may be obtained duly furnishing all the details with due justification.

v) Comply with the capital expenditure guidelines and monitor the physical progress as well as financial progress in respect of the works carried out under Capex ensuring adherence to set timelines of completion, cost to benefit ratio, etc.

vi) CESC is directed to ensure that the investments made under any of the schemes, i.e. whether the funding is either met through grants, internal resources or through capital borrowings, should not become waste/futile expenditure resulting in creation of stranded assets.

vii) take concrete measures to complete and capitalize the works, which are pending since many years so that, the benefits envisaged are realized and passed on to the consumers effectively;

viii) identify the high loss Sub-Divisions/Divisions and prioritize its capex specifically to reduce the distribution loss, improve the reliability of the distribution system and improve the voltage regulations.

ix) prepare a detailed perspective plan by conducting 11 kV feeder-wise and DTC-wise load flow studies to ascertain the present and projected loads on the feeders and to arrive at least cost, techno-economically feasible improvement plan for:

a. Reducing distribution losses.
b. Reducing the HT:LT Ratio.
c. Reducing Transformer failures.
d. Segregation the loads in the feeders.
e. Reducing in Power theft.
f. Bringing programs for the awareness among the people on usage and conservation of energy.
g. Improving the sales to metered category and Power factor of the IP set loads by installing switched capacitors of suitable capacity to the secondary of the transformers.

c. Revised Capex for FY23:

CESC has indicated revised capex of Rs.725 Crores for FY23 in its filing, duly proposing head-wise re-appropriation as per the capex approved in MYT Order 2022. As the current tariff proceedings are for APR of FY22 and ARR of FY24, the capex incurred for FY23, would be reviewed during the APR of FY23.

5.2.2 CESC Sales for FY24:

A. Category-wise sales- other than IP sets for FY24:

CESC in its filing has estimated the number of installations as 3912327 numbers and energy sales as 7167.90 MU for FY24. CESC has submitted that it has adopted the following approach for estimating the number of installations and energy sales:

a. CESC, in its filing has stated that the number of installations and energy sales for FY23 and FY24 is based on the CAGR for the period FY19 to FY22, FY17 to FY22 and the previous year growth rate.
b. It is submitted that the number of installations for LT-2a, LT-2b, LT-3, LT-5, LT-6a, LT-7, HT-2a and HT-3 is estimated based on three-years' CAGR and for other categories, based on five-years' CAGR. In case of EV charging stations, it is submitted that the Government has allocated 155 numbers to CESC and therefore, CESC has estimated 175 numbers for FY24. Further, in case of BJ/KJ, as there is no new scheme, the numbers as on 30.09.2022 is retained.
c. Regarding energy sales, it is submitted that three-years' CAGR is considered for LT-4b, LT-5 and HT-1 categories. For other categories excluding BJ/KJ, IP Sets, LT-2b and HT-2b, five-years' CAGR is adopted. For BJ/KJ, 1% growth is considered, for IP Sets the energy sales for estimated based on specific consumption. In case of LT-2b and HT-2b, CESC has considered 1% and 2% growth, as under these categories CAGR is negative.
d. **The observations of the Commission, CESC's replies and the Commission's views thereon, on the sales forecast are as follows:**

The BJ/KJ sales shall be estimated based on specific consumption of FY22 instead of considering 1%. Further, it is observed that, even though the number of installations in FY24 is same as FY23, the sales has been marginally increased.

CESC's Reply:

Even though, the number of installation is same, CESC has considered bare minimum increase in sales and has requested to consider the same.

i. The number of BJ/KJ installations for FY24 in page no. 51 is indicated as 445124 & 43018 instead of 448285 and 44869.

CESC's Reply:

The number of installations indicated is based on actual mid-year installation of FY23.

ii. In page no.56, the sales for LT3 for FY24 is indicated as 335.92 MU whereas, as per D2 Format it is 336.05 MU and for LT-7 it is indicated as 18.82 MU against 18.69 MU in D2 Format.

CESC's Reply:

For FY24 CESC has proposed to merge LT7b category to LT3 category. In D2 format the sales for LT3 is retained as 335.92MU and 0.13MU of LT7b is added.

iii. In D2 Format, the breakup for LT-5a &5b for FY24 is not indicated.

CESC's Reply:
CESC has proposed to merge LT5a and LT5b.

iv. The LT-2b sales may be estimated considering the specific consumption of FY22.

CESC's Reply:

Due to inconsistent and negative growth, 1% growth is considered.

e. In order to analyze HT sales, CESC was directed to furnish the breakup of sales data of HT2(a), HT2(b), HT 2(c) and HT-4 categories along with the consumption from open access / wheeling, in the specified format.

CESC in its replies has furnished the details

f. The Commission had observed that the growth rate for number of installations considered is on the higher side for HT-1& lower for HT-4 categories, when compared to the CAGR. CESC was suggested to consider revising the figures for these categories.

CESC's Reply:

CESC has submitted that for HT1 category and for HT4 five-year CAGR of 8.96% and 27.86% respectively is considered.

g. The Commission had noted that the sales growth rate considered is marginally on higher side for HT-4 category, when compared to the CAGR. CESC was suggested to consider revising the figures for this category.

CESC's Reply:

CESC has submitted that for HT4, five-year CAGR of 2.24% is considered.

h. **Validation of Sales:**

To validate the sales, CESC was directed to furnish category wise information in the specified format

CESC in its reply has furnished the details.

The Commission has noted the replies furnished by CESC on the observations made on sales estimates and the approach of the Commission for estimating the number of installations and energy sales are discussed in the subsequent paragraphs of this chapter.

II. Commission's approach for estimating the number of installations and sales for FY24:

The Commission has noted the replies furnished by CESC and the approach of the Commission in estimating the number of installations and sales are discussed below:

1) No. of Installations:

i) While estimating the number of installations (excluding BJ/KJ and IP) for FY24, the following approach is adopted:

a. The Commission has validated both the number of installations and energy sales to various categories considering the actuals as on 30th November, 2022 and has estimated the number of installations and sales for the remaining period reasonably. Accordingly, the base year estimation has been revised which has an impact on the estimates on the number of installations and sales for the FY24.

b. Wherever the number of installations estimated by the CESC for the FY24 is within the range of the estimates based on the CAGR for the period FY17 – FY22 and for the period FY19 – FY22, the estimates of the CESC are retained.

c. Wherever the number of installations estimated by the CESC for the FY24 is lower than the estimates based on the CAGRs for the period FY17 – FY22 and for the period FY19 – FY22, the estimates based on the lower of the CAGRs for the period FY17 – FY22 and for the period FY19 – FY22 are considered.

d. Wherever the number of installations estimated by CESC for the FY24 is higher than the estimates based on the CAGRs for the period FY17 – FY22 and for the period FY19 – FY22, the estimates based on the higher of the CAGRs for the period FY17 – FY22 and for the period FY19 – FY22 are considered.

e. For LT6c, LT-7 and HT-5 categories, the estimates of CESC are retained.

ii) For LT2a and LT3 categories, average of CAGR method and CESC estimate is considered.

Based on the above approach, the total number of installations (excluding BJ/KJ consuming ≤ 40 units/month and IP installations) estimated by the Commission for FY24 is indicated in the table below:

Approved Number of installations

FY24	
Filed	**Approved**
2972246	**3009806**

***excludes station auxiliary installations**

iii) Energy Sales:

(i) Generally, the sales are estimated for FY24 are estimated considering the following approach:

a. The base year sales for FY23 as estimated by the CESC has been validated, duly considering the actual sale upto November, 2022 and modified suitably as stated earlier.

b. Wherever the sales estimated by the CESC, for the for FY24, is within the range of the estimates based on the CAGR for the period FY17 – FY22 and for the period FY19 – FY22, the estimates of the CESC are considered.

c. Wherever the sales estimated by the CESC for the FY24 is lower than the estimates based on the CAGRs for the period FY17 – FY22 and for the period FY19 – FY22, the estimates based on the lower of the CAGRs for the period FY17 – FY22 and for the period FY19 – FY22 are considered.

d. Wherever sales estimated by CESC for FY23 is higher than the estimates based on the CAGRs for the period FY17 – FY22 and for the period FY19 – FY22, the estimates based on the higher CAGRs for the period FY17 – FY22 and for the period FY19 – FY22 are considered.

e. LT-2b, LT4c and LT6 Street lights categories, the sales are estimated based on FY23 specific consumption.

f. For LT6c, LT-7 and HT-5 categories, the estimates of CESC are retained.

Based on the above approach, the sales (excluding BJ/KJ consuming ≤ 40 units/month and IP sales) estimated by the Commission, for FY24, is indicated in the following table:

Approved Energy Sales

in Million Units

FY24	
Filed	**Approved**
3911.17	**3974.06**

***Excludes Auxiliary consumption of 5.63 MU**

iv) Sales to BJ/KJ:

The break-up of sales to BJ/KJ installations considered for FY22 is as indicated below:

Particulars	No. of Installations	Consumption in MU	Specific consumption per installation per month (kWh)
Installations consuming less than or equal to 40 units	447923	95.12	17.697
Installations consuming more than 40 units and billed under LT2(a)	41739	29.27	58.439

The Commission notes that, the specific consumption works out to 17.70 units /installation/month for BJ/KJ installations consuming less than or equal to 40 units per month which is considered for estimating the sales to BJ/KJ installations consuming less than or equal to 40 units for the control period.

Since, CESC has not proposed any additional installations during the control period, as there is no GoK policy to extend the benefit of free power to any new BJ/KJ installations, the number of BJ/KJ installations consuming less than or equal to 40 units per month and more than 40 units per month as existing as on 30.11.2022 is retained. Further, the Commission had observed that the specific consumption of 58.44 units / installation / month for BJ/KJ installation consuming more than 40 units per month is on the higher side. CESC in its reply to preliminary observations, has furnished the month-wise details for FY22, based on which the weighted average specific consumption works out to 54.78 units /installation/month. The Commission notes that the number of installations and consumption of BJ/KJ installations consuming more than 40 units/month varies from month to month. Therefore, considering the overall consumption and year end installations, the specific consumption would be higher. Thus, the weighted average specific consumption of 54.78 units /installation/month is adopted for estimating the sales to BJ/KJ installations consuming more than 40 units for the control period.

The BJ/KJ sales worked out as per the above specific consumption for FY24 is as indicated in the following Table:

Million Units

	FY24	
Particulars	**No. of Installations**	**Sales-MU**
Installations consuming less than or equal to 40 units	447923	95.12
Installations consuming more than 40 units and billed under LT2(a)	41739	27.44

B. Sales to IP sets – projections for ARR FY24;

CESC Proposal:

CESC, in its tariff application, has projected IP sets consumption of 3,154.07 MU against 4,94,687 number of installations, for FY24. As per D-2 Format, CESC, has reported actual consumption of 2,971.38 MU against 4,46,535 number of IP set installations for FY22. CESC, in its current tariff filing, has reported growth rate in the number of IP installations, i.e., CAGR for 5 years, 3 years and the growth over previous years as 5.68%, 5.69%, and 5.39% respectively. In its replies to preliminary observations, CESC has informed that, the projection is made by considering the least of the CAGR and projected the number of IP installations for FY23 as 4,70,611. CESC has projected the energy sales by considering the 3 year CAGR on the consumption of FY22 and projected 3,000.56 MU and 3,154.07MU for FY23 and FY24 respectively. The specific consumption considered by CESC for FY23 and FY24 is 6,376 units/installation/annum.

Commission's Analysis and Decision:

a. While verifying the computations of IP sets, it is found that, the actual sales to IP sets for FY22 is 2,971.38 MU, against 4,45,374 number of installations. Based on the actual sales to IP sets, the Commission has arrived at the specific consumption as 6,838.52 units per installation per annum for the FY22, by considering the mid-year installations of 4,34,506 numbers.
b. In its replies to preliminary observations, CESC has submitted that 1,161 number of IP set installations are stated to be dried up out of 4,46,535. Thus, reckoning the number of live installations as 4,45,374 for FY22.
c. Based on the data of FY19, FY20, FY21 and the number of installations for FY23 furnished by CESC and duly considering CAGR, the Commission has considered numbers of installations as 4,96,937 for FY24.
d. Now, by calculating the mid-year installations for FY23 based on the number of installations estimated as detailed in para (c) above and the specific consumption of 6,376 units/IP/annum considered by CESC, the energy sales to FY23 is projected as 2,920.16 MU.

e. Based on the estimated number of installations for FY23 and by considering the specific consumption considered by CESC the details of energy sales projections to IP set consumers for FY24, are as indicated below:

TABLE – 5.4

Approved IP Set Sales for FY24

Particulars	FY24		
	As approved by the Commission in TO 2022	As submitted by CESC in its Tariff Application	As approved by the Commission (Revised)
No. of Installations	4,80,637	4,94,687	4,96,937
Mid-year number of Installations	4,71,137		4,83,774
Specific consumption in units/installation/annum	6,917.80	6,376	6,376
Sales in MU	**3,259.23**	**3,154.07**	**3,084.54**

Accordingly, the Commission approves 3,084.54 MU as energy sales to IP-sets as against the projections of CESC of 3,154.07 MU, for the FY24. The number of installations approved for FY24 is 4,96,937. This approved IP set consumption for FY24 is with the assumption that the Government of Karnataka would release full subsidy to meet the revenue requirement on the approved quantum of IP sets sales. However, if there is any variation/ shortfall in the subsidy allocation by the GoK, the quantum of sales to IP sets of 10 HP and below shall be proportionately regulated. The CESC shall therefore, regulate the number of hours of power supply to exclusive agricultural feeders with reference to the subsidy allocation by the Government.

Government of Karnataka vide letter dated 29.03.2023 has informed the Commission that for FY24, Government have allocated an amount of Rs.13,143.00 Crores for providing free electricity supply to BJ/KJ consumers (consuming up to 40 Units) and IP sets consumers with a sanctioned load of 10 HP & below and requested the Commission to determine the tariff for these categories considering the same.

In this regard, it is explicitly made clear that the Commission is determining the tariff for various category of consumers duly considering the cross subsidy from other category of consumers. As such, while determining the tariff for BJ/KJ

consumers (consuming up to 40 Units) and IP sets consumers with a sanctioned load of 10 HP and below, the Commission has to consider the level of cross subsidization from other consumer categories and also the increase in the various cost components. Resultantly, it is not possible for the Commission to determine the tariff for the above categories restricting to the amount of subsidy allocated by the Government. Further, as per Section 62 of the EA, 2003, the Commission is required to determine the tariff. Therefore, the request of the Government to limit the tariff of these categories to match the amount of allocated subsidy would be against the decision of the Government in the matter of providing free electricity supply to these categories vide its order 04.09.2008.

In the light of this, the Government shall fully meet the cost of such subsidized supply at the rate of Commission Determined Tariff in respect of for BJ/KJ consumers (consuming up to 40 Units) and IP sets consumers with a sanctioned load of 10 HP & below. In case, the Government is not able to provide the subsidy to the extent of CDT approved by the Commission, then GoK shall direct the ESCOMs to regulate the power supply to the extent the subsidy provided.

f. The Commission notes that CESC has taken up GPS survey of IP-sets to identify the defunct / not in use / dried up installations in the field and to arrive at the correct number of IP-sets by deducting such defunct / not in use / dried up IP-set installations from its account, on the basis of GPS survey results. The CESC has furnished the data of GPS survey without reconciling with the number of installations in the DCB as on 31.03.2022. From the data of GPS survey furnished by CESC, it is observed that there is a difference in number of installations to that of the number of IP installations in the DCB and accounts. Thus, the Commission observes that the data of GPS survey made available is incomplete, as well observes inconsistency in the GPS survey data furnished by CESC and hence, the Commission is unable to accept the same.

g. In view of fact that the data of GPS survey of IP-sets is incomplete, the number of installations reckoned for FY22 and estimates for FY24 are subject to change based on the GPS survey results. Accordingly, after completion of the survey and finalization of the report, CESC shall furnish the correct number of IP set installations duly deducting the number of dried up / defunct IP sets from the total numbers. Thereafter, any variation in the sales due to change in the number of installations would be trued up during the Annual Performance Review for the FY23.

h. The feeder-wise, month wise-data of assessment of IP sets for the period from April 2022 to September 2022 as furnished by CESC, in its tariff filing, has been considered provisionally for the purpose of projecting the sales for FY23 and FY24. The Commission would consider revising the same, based on the GPS survey data. **Hence, CESC is directed to submit the final survey Report within 3 (three) months from the date of this Order. The survey data should be reconciled with the DCB Statement data and thereafter report the total IP-set consumption to the Commission, month-on month regularly, as per the format prescribed in the previous tariff orders of the Commission.**

Based on the above discussions, the category wise approved number of installations for the FY24 vis-à-vis the estimates made by the CESC is indicated in the following Table:

TABLE – 5.5

Category-wise approved number of installations

No of Installations

	Category	CESC FY24	KERC FY24
LT-1 (a)	Bhagya Jyoti < =40 units	445124	447923
LT-1 (a)	Bhagya Jyoti>40	43018	41739
LT-2a	Domestic AEH	2333628	2364288
LT-2b	Pvt. Institutions	3942	4095
LT-3	Commercial - Applicable to areas coming under VPs	315080	319572
LT-4 (a)	IP sets - Less than 10 HP - General	494687	496937
LT-4 (b)	Irrigation Pump sets - More than 10 HP	240	240
LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea	13259	12952

	Plantations		
LT-5	Lt Industries	54504	57102
LT-6	Water Supply	34086	34123
LT-6	Street Lights	29276	30426
LT-6	EV charging	175	175
LT-7	Temporary Power Supply	141640	141640
	LT Total	**3908659**	**3951212**
HT-1	HT Water Supply	228	223
HT-2 (a)	HT Industries	1443	1491
HT-2 (b)	HT Commercial	1025	1018
HT-2(c)		412	407
HT-3(a) & (b)	HT Irrigation & LI Societies	145	155
HT-4	Res. Apartments - Applicable to Mangalore Municipal Corporation Area	66	81
HT-5	Temporary	79	79
HT Total		**3398**	**3454**
LT + HT Total		**3912057**	**3954666**
Auxiliary		**270**	**270**
Grand Total		**3912327**	**3954936**
	***Categories other than IP sets and BJ/KJ consuming less than or equal to 40 units/month./installations**	**2972246**	**3009806**
	month./installations	**939811**	**944860**

***Excludes auxiliary installations**

The approved category-wise energy sales for the FY24 vis-à-vis the estimates made by the CESC are as indicated in the following Table:

TABLE – 5.6
Category-wise approved energy sales

Million Units

	Category	CESC FY24	KERC FY24
LT-1 (a)	Bhagya Jyoti < =40 units	97.03	95.12
LT-1 (a)	Bhagya Jyoti>40	29.86	27.44
LT-2a	Domestic AEH	1183.76	1178.33
LT-2b	Pvt. Institutions	8.07	10.71
LT-3	Commercial – Applicable to areas coming under VPs	336.05	370.38

LT-4 (a)	IP sets – Less than 10 HP – General	3154.07	3084.54
LT-4 (b)	Irrigation Pump sets – More than 10 HP	1.24	1.20
LT-4 ©	Private Horticulture Nurseries, Coffee & Tea Plantations	19.90	22.60
LT-5	Lt Industries	183.27	192.70
LT-6	Water Supply	301.68	301.37
LT-6	Street Lights	123.53	133.87
LT-6	EV Charging	14.00	14.00
LT-7	Temporary Power Supply	18.69	18.69
	LT Total	**5471.15**	**5450.94**
HT-1	HT Water Supply	535.55	539.47
HT-2 (a)	HT Industries	808.04	808.04
HT-2 (b)	HT Commercial	108.07	108.07
HT-2©		55.72	63.50
HT-3(a) & (b)	HT Irrigation & LI Societies	171.65	171.65
HT-4	Res. Apartments – Applicable to Mangalore Municipal Corporation Area	4.36	4.32
HT-5	Temporary	7.73	7.73
HT Total		**1691.12**	**1702.78**
LT + HT Total		**7162.27**	**7153.72**
	***Categories other than IP sets and BJ/KJ consuming less than or equal to 40 units/ month./installations month./installations month./installations.**	**3911.17**	**3974.06**
	IP sets and BJ/KJ consuming less than or equal to 40 units/month./installations	**3251.10**	**3179.66**
	Auxiliary	**5.63**	**5.63**
	Grand Total	**7167.90**	**7159.35**

***Excludes auxiliary consumption and additional sales**

5.2.3 Distribution Losses for FY24:

CESC, in its ARR filing has proposed to achieve the distribution losses of 10.60% for FY24.

Commission Analysis and Decisions:

The Commission, in its Tariff Order dated 04.04.2022, has approved the distribution loss target for FY24 as detailed below:

Particulars	FY 24
Upper limit	10.60
Average	10.35
Lower limit	10.10

The performance of CESC in achieving the loss target set by the Commission in the past 5 years is as follows:

Particulars	FY18	FY 19	FY 20	FY 21	FY 22	FY23	FY24
Approved Distribution losses in %	13.00	12.75	12.70	11.50	10.75	10.70	10.35
Actual Distribution losses in %	13.20	12.04	11.12	12.75	11.32		

The Commission in its preliminary observation has directed CESC to reassess and submit the revised distribution losses for FY24. The CESC in its reply has stated that to achieve the lower limit distribution loss of 10.10% as approved in the Tariff Order 2022 by the Commission requires huge investment towards extension and improvement works and request the Commission to consider the distribution loss of 10.60% as proposed by CESC for FY24.

The Commission notes that, CESC was able to achieve the reduction in the distribution loss by 1.88% percentage point in 5 years. Over the actual distribution loss of 13.20% during FY18. CESC considering the capital investment made by CESC under various schemes and other capital programmes and the capex proposed by CESC for FY23 and FY24 the distribution loss target of 9.60% proposed by CESC is not acceptable. CESC should strive hard to reduce the losses to achieve the target set by the Commission for FY24. Further, the Commission notes the actual distribution losses of cities/towns covered under CESC area. The Commission has observed that, the losses in some of the cities

/ towns are very high. The Commission directs CESC to study and analyze the reasons for higher losses and draw an action plan to reduce the losses, thereby it can achieve the loss target fixed by the Commission.

In light of the above, the Commission reiterates its directions and decides to retain the distribution loss target as approved in the Tariff Order 2022 as detailed below:

Particulars	FY 24
Upper limit	10.60
Average	10.35
Lower limit	10.10

The Commission directs CESC to ensure that the loss reduction targets as fixed above are achieved by proper planning and monitoring of the working of distribution system in CESC

5.2.4 Power Purchase for FY24

The ESCOMs, in their tariff applications have submitted the D-1 Format indicating their power purchase requirement for the FY24. The consolidated statement showing the energy requirement of the ESCOMs in the State for FY24, is shown hereunder:

TABLE – 5.7

Requirement of Energy as filed by ESCOMs

ESCOMs	Energy requirement for FY24 (in MU)
BESCOM	34766.29
MESCOM	6313.75
CESC	8245.68
HESCOM	15575.23
GESCOM	9732.79
Total	**74633.74**

CESC's submission:

The CESC has submitted its power purchase requirement for the FY24 based on the projected sales, as follows:

TABLE – 5.8

Energy Requirement as filed by CESC

Particulars	FY24
Sales (MU)	7167.89
Distribution losses %	10.60
Energy at IF point (MU)	8017.77
Transmission Losses %	2.764
Energy Required at generation Bus, to meet the sales of CESC (MU)	**8245.68**

5.2.5 Sources of Power:

CESC's submission;

The CESC, in its tariff application, has submitted the source-wise power purchase requirement for FY24. Also CESC has submitted the basis for considering the availability of power from different sources, as follows:

(i) The availability/ power procurement from KPCL Thermal and Hydel stations is on the basis of Power Purchase Agreement dated 22.05.2010, based on norms approved by the State Commission, vide its order dated 03.08.2009 and 25.02.2015 and also by considering the data submitted by KPCL through e-mail dated 15.11.2022.

(ii) Availability of power from Central Generating Stations (CGS) is as per LGBR and the quantum of energy to be drawn by Karnataka is based on the percentage of allocation to the State.

(iii) In respect of major IPPS, RE and other sources such as RE generators and others sources such as Jurala Power & TB Dam Power and UPCL, etc., the availability is considered based on State's share and the contracted capacity of the Power Purchase Agreement respectively.

(iv) The energy available for FY24, from different generating sources in the State of Karnataka is as detailed below:

Generating Station	Energy in MUs	Source
KPCL Hydro	12203.73	KPCL
RTPS- 1 to 7	8827.85	KPCL
RTPS 8	1554.37	KPCL
BTPS Unit-I	3051.84	KPCL
BTPS Unit-II	2899.06	KPCL
BTPS Unit-III	4873.50	KPCL
Yeramarus TPS- 1&2	10905.24	KPCL
CGS	18279.16	LGBR of SRPC for 2023-24
Kudigi	9363.68	LGBR of SRPC for 2023-24
DVC	3048.25	DVC
UPCL	7482.78	90% of 85% installed capacity
NCE Projects	19929.29	Actuals of ESCOMs for the FY 2021-22
TBHE & Jurala Projects	207.28	Actuals of 21-22
Total	102626.04	

(v) The generation capacity of the existing generation sources and the envisaged additional sources vis-à-vis the energy requirement for the entire State, fixed charges and variable charges are indicated in the tariff application of CESC. The summary of the same is shown in the following Table:

TABLE – 5.9

Power purchase requirement of CESC for FY24

SOURCES	Financial Year 23-24		
	Energy in MU	Cost in Rs Crs.	Avg. cost Per unit Rs./unit
KPCL Hydel Energy	2322.24	223.89	0.96
KPCL Thermal Energy	1665.42	1199.08	7.20
CGS Energy	2304.38	1269.74	5.51
UPCL	166.04	326.39	19.66
Renewable Energy/Bundled power	1755.84	785.39	4.47
Other State Hydel	29.22	1.02	0.35
CTUIL & POSOCO Charges		211.41	
KPTCL Transmission & SLDC		585.04	
Allocation to other ESCOMs	2.54	1.24	4.88
TOTAL	**8245.68**	**4603.20**	5.58

Commission's Analysis and Decisions

a) The energy requirement of the ESCOMs, including CESC, is being met from the following sources, through long-term Power Purchase Agreement (PPAs) with:

ii) Karnataka Power Corporation Limited (KPCL) Generating stations;

iii) Central Generating Stations (CGS);

iv) Major Independent Power producers (IPPs) and

v) Renewable Energy (RE) sources.

vi) Other Hydro projects.

b) Quantum of energy available from Karnataka Power Corporation Limited (KPCL) Generating stations:

To arrive at the available quantum of energy and power for the year FY24, the Commission has considered the availability as furnished by KPCL for KPCL Generating Stations.

c) Quantum of energy available from Central Generating Stations (CGS):

To arrive at the availability quantum of energy and power for the year FY24, the Commission has considered the availability furnished by the SRPC/PCKL for Central Generating Stations. The availability of CGS stations is based on the share of Karnataka, as notified from time to time.

d) Major Independent Power producers (IPPs):

The Major IPPs in Karnataka is UPCL with a generation capacity of 1200MW having unit-1 and unit 2. Out of this station 85% of 90% of installed capacity is considered and correspondingly the energy is considered for FY24.

e) Renewable Energy (RE) sources

In the case of availability from the Renewable Energy sources, the actual generation capacity contracted by the ESCOMs, as indicated in D-1 Format and as per the contracted PPAs, has been considered.

f) Other Hydro projects

The availability from the other sources such as Jurala Hydel Station and TB dam Power Stations of Telangana State has been considered based on Karnataka's share in the installed capacity and as per the contracts executed with these generators.

Based on the above availability criteria, the energy requirement for the State, with reference to the sales target approved for FY24, is given in the following Table.

TABLE – 5.10

ABSTRACT OF POWER PURCHASE REQUIREMENT OF THE STATE FOR THE YEAR FY24

SOURCES	FINANCIAL YEAR 23-24		
	Energy in MU	Total Cost in Rs Crs.	Avg. cost per unit Rs./unit
KPCL Hydel Energy	12203.73	1264.87	1.04
KPCL Thermal Energy	16847.62	12378.98	7.35
CGS Energy	22758.59	11739.93	5.16
UPCL	1500.00	2711.48	18.08
Renewable Energy:	18222.29	7277.35	3.99
Other State Hydel	207.28	63.50	3.06
Bundled Power	2007.16	1269.43	6.32
CTUIL & POSOCO Charges		2122.751	
KPTCL Transmission & SLDC		5603.5905	
TOTAL	**73746.6760**	**44431.880**	**6.02493**

5.2.6 CESC's Power Purchase Quantum, Cost & Transmission charges for FY24:

CESC's Submission

CESC has submitted the Power Purchase requirement along with the cost including the transmission charges and SLDC charges, in D-1 Format. CESC has sought approval of the Commission for purchase of power to an extent of 8245.68 MU at a cost of Rs.4603.20 Crores, which includes transmission and SLDC charges, for the year FY24.

As regards the cost of power, the CESC has submitted that, same is considered as per the norms defined in contracts (PPAs)/ Regulations and based on the tariff indicated by KPCL for its Stations and the tariff determined by the CERC in respect of Central Generating Stations, DVC Stations and UPCL stations.

Commission's Analysis and Decisions:

After a detailed analysis of the power purchase costs claimed by the CESC, the Commission has arrived at the power purchase quantum and cost, to be allowed in the ARR for FY24. The basis for computation of power purchase quantum and cost for the year FY24 is as indicated below:

1. Quantum of Power: Based on the approved sales and the allowable transmission and distribution losses, the requirement of Power for the CESC, for the year FY24, is worked out as detailed below:

TABLE – 5.11

Power Purchase requirement for the CESC for the year FY24

Particulars	FY24
Sales (MU)	7159.35
Distribution losses (%)	10.35
Energy at IF point (MU)	7985.89
Transmission Losses (%)	2.764
Energy at Generation Bus required to meet the sales target of CESC (MU)	**8212.894**

2. While approving the cost of power purchase, the Commission has determined the quantum of power from various sources in accordance with the principles of Merit Order Dispatch (MOD), based on the ranking according to the variable cost of the approved sources of supply.
3. The rates considered in respect of the KPCL stations are based on the Commission's order dated 03.08.2009 for hydel stations, except for Shivasamudram, Shimsha, Munirabad & MGHE for which separate rates, as per Order dated 25th February 2015, are applicable.

4. The variable costs of State thermal stations and UPCL, are considered based on the recent power purchase bills passed by the CESC and also based on the recent landed cost of fuel and other variable components.
5. The fixed charges and the variable charges in respect of the Central Generating Stations, UPCL Stations and the DVC Stations have been considered based on the Tariff determined by the CERC as per the CERC norms. However, the energy has been considered from these units by limiting the quantum of energy as per the requirement of ESCOMs, to meet the sales target on the basis of Merit Order Despatch. It is expected that any surplus energy available from tied up sources of energy would be traded by the ESCOMs through PCKL on commercial principles. Similarly, any requirement over and above the quantum approved in this Tariff Order, shall be procured from the contracted/ tied up sources only.
6. The variations, if any, in the power purchase costs allowed now and the power purchase costs actually incurred, shall be claimed by CESC by notifying the PPCA charges as per the amended Regulations on Fuel and Power Purchase Adjustment (FPPCA Regulations). **While computing the variations in the FPPCA, CESC shall not include the interest towards Late Payment Surcharge being incurred in the normal course**, **in view of the fact that the Commission is allowing interest on working capital as per MYT norms. However, the interest on power purchase dues paid as per the Court/ Commission's Order may be included in the FPPCA Claims.**
7. The Commission has allowed the KPTCL transmission charges and SLDC charges to be paid by the ESCOMs, in the Power Purchase Cost and is as detailed below:

TABLE – 5.12
Transmission & SLDC Charges

Name of ESCOM	KPTCL Transmission Charges in Rs. Crores	SLDC Charges in Rs. Crores
BESCOM	2864.9084	14.381
MESCOM	424.5323	2.015
CESC	615.6697	2.841
HESCOM	1066.2217	5.364
GESCOM	604.5184	3.139
Total	**5575.8505**	**27.740**

8. The PoC charges payable by ESCOMs has been computed by considering the amounts claimed by CTUIL (Central Transmission Utility of India Limited) based on to GNA quantum of 4376 MW allocated to Karnataka in Annexure-I of Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022 notified on 07.06.2022, the State Transmission Utility on behalf of intra-state entities including distribution licensees.

9. Based on the requirement of energy allowed and the power allocation given by the Government of Karnataka, the source wise Power Purchase quantum and costs are approved in the ARR of CESC for the year FY24.

10. The consolidated power purchase quantum and cost for the FY24, as approved by the Commission, is shown in the following Table:

TABLE – 5.13

ABSTRACT OF POWER PURCHASE APPROVED FOR CESC FOR THE YEAR FY24

SOURCES	FINANCIAL YEAR 23-24		
	Energy in MU	Cost in Rs. Crores	Cost Per unit In Rs.
KPCL Hydel Energy	2821.35	251.19	0.89
KPCL Thermal Energy	842.38	618.95	7.35
CGS Energy	2555.19	1334.46	5.22
UPCL	215.05	388.74	18.08
Renewable Energy	1523.63	593.83	3.90
Other State Hydel	23.08	7.07	3.06
Total Bundled Power	232.21	146.83	6.32
CTUIL & POSOCO Charges		315.923	
KPTCL Transmission & SLDC Charges		618.5107	
TOTAL	**8212.894**	**4275.517**	**5.21**

Thus, the Commission hereby approves power purchase quantum of 8212.8940 MU at a cost of Rs.4275.5170 Crores, for FY24. The breakup of source-wise Power and the cost thereon, is shown in Annexure- 1 and 2 of this Order.

CESC shall regulate the quantum and cost of power, as approved by the Commission in the above Table, to avoid any further burden on the consumer

5.2.7 Renewable Purchase Obligation (RPO) target for FY24:

The ESCOMs are required to comply with the Renewable Purchase obligations as per KERC (Procurement of Energy from Renewable Sources) Regulations, 2011 as amended from time to time. In case the ESCOMs are unable to fulfil the RPO as per Regulations, by purchase of energy they shall purchase the required number of RE Certificates and furnish the same while submitting the compliance of RPO.

5.2.8 O&M Expenses for FY24:

CESC's Proposal:

The CESC in its Petition, has claimed O&M expenses of Rs.975.39 Crores as against Rs.979.46 Crores approved by the Commission for FY24. CESC in its Petition, has submitted that they have computed the O&M expenses in accordance with the methodology specified in the MYT Regulations. CESC, while computing the inflation of indices, has considered the following:

- 12 years past data of WPI and CPI is considered
- Composite series data of calendar years have been considered
- WPI and CPI components are considered at 20% and 80% respectively for calculating composite series data.

CESC has submitted that the actual O&M expenses incurred as per the audited accounts for FY22 of Rs.818.56 Crores has been considered to arrive at the normative allowable O&M expenses for FY23 and for FY24. Thus, CESC has reckoned the O&M of Rs.972.89 Crores for FY24, based on:

a. Weighted Inflation Index of CPI and WPI at 6.16% by considering the past twelve years' data at WPI and CPI at 20% and 80% weightage, respectively;
b. Consumer growth index at 4.59%;
c. Efficiency factor of 2.00%;

CESC has also submitted the details of employees cost, R&M expenses and Administrative and General Expenses covered under O&M expenses as detailed below:

TABLE - 5.14
O &M Expenses - CESC's Proposal

Amount in Rs. Crores

Sl. No.	Particulars	FY24
1	Employee cost	763.57
2	Repairs & Maintenance	84.68
3	Admin & General Expenses	127.14
	Total O&M Expenses	**975.39**

Further, CESC in its application has indicated Rs.93.56 Crores and Rs.108.71 Crores as the revision of pay scale amounts to be payable to its employees / officers with effect from 01.04.2022 at the rate of 22% hike and requested the Commission to allow the same in the ARR to be approved for FY24.

Commission's Analysis & Decision:

The Commission notes the O&M expenses claimed by CESC in its petition, is within the O&M expenses of Rs. 979.46 Crores approved by the Commission for FY24 in Tariff Order 2022 dated 04.04.2022.

The Commission, in its preliminary observations, had observed that CESC in its filing of ARR for FY24 has factored Rs.93.56 Crores and Rs.108.71 Crores towards additional employees cost on account of revision of pay scales with effect from 01.04.2022 for FY23 and FY24. Accordingly, CESC was directed to submit the order issued by the Competent Authority approving the revision of pay scales.

CESC in its reply, has submitted that CESC in its petition, has indicated an anticipated additional employees cost of Rs.93.56 Crores and Rs.108.71 Crores towards revision of pay scales for FY23 and FY24. However, CESC has clarified that it has not considered the same for computation of ARR for FY24. CESC has also informed that the amounts mentioned above, has not yet been approved by any competent authority.

The Commission, in its preliminary observations, also noted that CESC, in its filing under Format D-6 – Employee Costs has indicated Rs.159.05 Crores and Rs.189.04 Crores towards terminal benefits for FY22 and FY24. Accordingly, CESC was directed to submit the computation sheet for claiming these amounts, along with the Actuarial Valuation Report, for the relevant period.

CESC in its reply, has submitted the computation sheet and actuarial valuation report for claiming the terminal benefits for FY22. CESC informed that the projected amount has been computed taking into consideration the weighted inflation index (CPI and WPI) availed for FY22.

The Commission has noted the replies submitted by CESC. The Commission notes that the actual O& M expenses as per audited accounts for FY22 are Rs.818.59 Crores, which includes contribution to P&G trust along with the other employee cost, R&M expenses and A&G expenses. Hence, the Commission decides to consider the actual O&M expenses of Rs.818.59 Crores as per the audited accounts (all inclusive) for FY22, as the base year data (being the latest data available as per the audited accounts), to arrive at the projected O&M expenses for FY23 and FY24.

The Commission, as per the norms specified under the provisions of MYT Regulations, for computation of O&M expenses has considered the consumer growth rate (CPI) based on 3-year CAGR and inflation rate index based on the methodology followed by the CERC.

The Commission has computed the O&M expenses for FY24 duly considering the actual O&M expenses of Rs.818.59 Crores which is inclusive of contribution to P&G Trust for FY22 as per the audited accounts to arrive at the O&M expenses for base year i.e. FY22. Thus, in line with the methodology followed by the Commission, in its earlier Tariff Order, the Commission after considering the Wholesale Price Index (WPI) as per the data available from the Ministry of Commerce & Industry, Government of India and Consumer Price Index (CPI), as per the data available from the Labour Bureau, Government of India and adopting the methodology followed by CERC with CPI and WPI in a ratio of

80:20, has computed the allowable annual escalation rate for FY24 which is as follows:

TABLE – 5.15

Computation of Inflation Index for FY24

Year	WPI	CPI	Composite Series	Yt/Y1=Rt	Ln Rt	Year (t-1)	Product [(t-1)* (LnRt)]
2010	89.7	61.1	66.82				
2011	98.2	66.5	72.84	1.09	0.09	1	0.09
2012	105.7	72.7	79.3	1.19	0.17	2	0.34
2013	111.1	80.6	86.7	1.30	0.26	3	0.78
2014	114.8	85.7	91.52	1.37	0.31	4	1.26
2015	110.3	90.8	94.7	1.42	0.35	5	1.74
2016	110.3	95.3	98.3	1.47	0.39	6	2.32
2017	114.1	97.6	100.9	1.51	0.41	7	2.88
2018	118.9	102.4	105.7	1.58	0.46	8	3.67
2019	121.2	110.2	112.4	1.68	0.52	9	4.68
2020	121.8	116.3	117.4	1.76	0.56	10	5.64
2021	135.0	122.0	124.6	1.86	0.62	11	6.85
A= Sum of the product column							30.25
B= 6 Times of A							181.51
C= (n-1)*n*(2n-1) where n= No of years of data=12							3036.00
D=B/C							0.06
g(Exponential factor)= Exponential (D)-1							0.0616
e=Annual Escalation Rate (%)=g*100							**6.1611**
As per CERC Notification No.Eco T I / 2022-CERC dated 30.03.2022 with weightage of 80% on CPI and 20% on WPI							

For the purpose of determining the normative O&M expenses for FY24, the Commission has considered the following:

a) The actual O & M expenses incurred as per the audited accounts for FY22 inclusive of contribution to the Pension and Gratuity Trust to arrive at the base rate of O&M expenses for FY24.
b) The three-year compounded annual growth rate (CAGR) of the number of installations at 4.96% considering the actual number of installations as per the audited accounts upto FY22.
c) The weighted inflation index (WII) at 6.1611% as computed above.
d) Efficiency factor at 2%;

The Commission has computed the allowable normative O&M expenses as per the above parameters duly considering the same methodology as followed in the earlier orders of the Commission and the relevant Orders of the Commission on various Review Petitions.

The Commission notes the reply submitted by CESC in support of its claim for inclusion of pay revision amount for FY23 and FY24.

Further, KPTCL has brought to the notice of the Commission vide their letter No.KPTCL/836/33996/2022-23/2058 dated 23,03.2023 that the KPTCL in its order dated 20.03.2023 has approved the Revision of pay scales by 20% in respect of Workmen and Officers with effect from 01.04.2022 and it has been submitted that the additional revenue requirement consequent to revision of pay scales for KPTCL and ESCOMs would be as follows:

	FY23	FY24
KPTCL	184.00	195.00
BESCOM	248.00	259.00
MESCOM	82.00	86.00
CESC	99.00	107.00
HESCOM	142.00	156.00
GESCOM	111.00	116.00
TOTAL	**866.00**	**919.00**

The Commission notes that the estimates made as above by KPTCL is duly considering the savings on account of the retirement of employees / officers during the relevant period. As the claims are inevitable and the MYT Regulations provides for factoring such additional expenses on account of revisions of pay scales, the Commission has decided to factor the estimated additional employee cost relating to the FY24 in the ARR of FY24.

As regards additional employee cost towards revision of pay scales effective from 1st of April, 2022, the Commission notes that the manner of payment of arrears for FY23 (01.04.02022 to 31.03.2023) is yet to be decided. The amount payable for FY23 is an outstanding liability, yet to be accounted in the books of accounts of ESCOMs. Hence, the same will be considered in the Annual Performance Review for FY23. However, the Commission has considered the amount payable from1st of April, 2023 in the ARR for FY24, on a provisional basis subject to allowing the actual amounts incurred, during the APR process, as indicated the following Table.

Accordingly, the normative O & M expenses for FY24 are as follows:

TABLE – 5.16
Approved O & M expenses for FY24

Particulars	FY24
No. of Installations	3954936
CGI based on 3 Year CAGR in %	4.96%
Inflation index in %	6.1611%
Base Year O&M expenses actuals as per audited accounts for FY22 in Rs. Crores.	818.59
O&M Index= 0&M (t-1) *(1+WII+CGI-X) Rs.in Crores.	980.23
Additional Employees cost towards Pay Revision (Provisional)	107.00
Total O & M Expenses allowed	**1087.23**

Since, the base year amount of O&M expense for FY22 also include the contribution of terminal benefits to the P&G Trust, the Commission has not considered allowing the same separately for FY24.

Thus, the Commission decides to approve O&M expenses of Rs.1087.23 Crores for FY24.

5.2.9 Depreciation:

CESC's Proposal:

The CESC in its Petition, has claimed an amount of Rs.431.85 Crores as depreciation, as against Rs.317.40 Crores approved by the Commission in Tariff Order 2022 dated 4th April 2022, for FY24. CESC in its petition, has submitted that the following factors have been considered while computing depreciation for FY24:

- Gross fixed assets at the beginning of the year (i.e., closing GFA of FY22)
- Gross block average of opening and closing balance of fixed asset projections on the capex and categorization of assets;
- The consumer contribution/grants are deducted based on the opening and closing balance of such assets duly considering the addition of assets;

The depreciation computed for FY24 is as follows:

TABLE – 5.17
Depreciation FY24- CESC's Proposal

Amount in Rs. Crores

Particulars	FY24
Land & Right	0.08
Buildings	8.15
Plant & Machinery	71.89
Towers, Poles, fixtures O.H conductors, U.G Cables	345.20
Hydraulics works	0.38
Vehicles	1.07
Other Civil	0.15
Furniture	3.64
Office Equipment	1.29
Total	**431.85**

CESC has claimed the depreciation on assets created out of consumer contribution / grants of Rs.91.70 Crores under other income for FY24.

Commission's Analysis and Decision:

The Commission in its preliminary observations had observed that CESC has indicated the depreciation of Rs.84.89 Crores for FY22 and projected depreciation of Rs.89.13 Crores and Rs.91.70 Crores for FY23 and FY 24 on the assets created out of consumer contribution / grants. CESC was directed to submit the detailed calculation for the same.

CESC in its reply to the preliminary observation, has submitted the detailed calculation sheet for claiming the depreciation of Rs.84.89 Crores for FY22 and projected depreciation of Rs.89.13 Crores and Rs.91.70 Crores for FY23 and FY24 respectively, on the assets created out of consumer contribution/grants. CESC informed that the depreciation projected for FY23 and FY24 has been worked out based on the existing values.

The Commission noted the replies furnished by CESC. The Commission notes that CESC, has claimed an amount of Rs.431.85 Crores as depreciation, as against Rs.317.40 Crores as approved by the Commission for FY24. Thus, the Commission in accordance with the provisions of the MYT Regulations and amendments thereon, has determined the depreciation for FY24 considering the following:

a) The actual weighted average rate of depreciation of category-wise assets is determined considering the depreciation and the gross block of opening and closing balances of fixed assets as per the audited accounts for FY22.

b) The actual rate of depreciation of assets, so arrived at, is considered for allowing the depreciation on projected value of gross block of average of opening and closing balance of fixed assets, made on the basis of Commission approved capex and likely categorization of asset thereon for FY23 and FY24.

c) The depreciation on account of assets created out of consumers' contribution / grants are deducted, as per AS-12, based on the average of opening and closing balance of such assets duly considering the addition of assets as considered and projected by the Commission for FY24, at the weighted average rate of depreciation as per actuals in FY22.

Accordingly, the depreciation for FY24 is as follows:

TABLE – 5.18

Approved Depreciation for FY24

Amount in Rs. Crores

Particulars	Depreciation
Buildings	7.35
Hydraulic works/civil works	0.32
Other Civil	0.18
Plant & Machinery	83.89
Line, Cable Network	318.17
Vehicles	0.68
Furniture	3.99
Office Equipment	1.05
Computers	2.21
Intangible Assets	0.00
Released Assets issued to works	0.00
Land/ Lease hold assets	0.08
Total	**417.91**
Less: Depreciation on assets created out of consumer contribution / grants	113.26
Allowable net depreciation	**304.65**

Thus, the Commission decides to approve an amount of Rs.304.65 Crores towards net depreciation for FY24.

5.2.10 Interest on Capital Loans:

CESC's proposal:

CESC, in its Petition, has claimed Rs.216.01 Crores as against Rs.165.83 Crores as approved by the Commission towards Interest on capital loan for FY24, by submitting calculations as under:

TABLE – 5.19

Interest on Capital Loans– CESC's Proposal

Amount in Rs. Crores

Particulars	FY24
Opening Balance of loans	1929.46
New Loans Borrowings	425.00
Loan Repayment	170.26
Closing Balance of loans	2184.20
Average Loans	2056.83
Weighted average rate of interest on Capital loan (%)	**10.50%**
Interest on Long-term capital	**216.01**

Commission's Analysis and Decision:

The Commission has noted capital loan portfolio and the interest rate for FY22 and as on 30th September 2022 for FY23. The Commission has noted the capex plan of CESC for FY24. The Commission further noted the source of fund details submitted by CESC to the proposed capex for FY24. The Commission as made out in the preceding paragraphs of this Chapter has considered the capex proposed of CESC for Rs.750 Crores for FY24. However, to avail front loading of interest on loan and depreciation on the capex in the retail supply tariff decides to reckon a reasonable capex of Rs.625 Crores for the purpose of approval of ARR for FY24. As against this the Commission by duly considering the availability of capital grants from GoK / GoI, internal resources, consumer contribution towards capital works decides to reckon Rs.425 Crores as the new capital loan requirement towards the approved capex for FY24. The Commission has considered the new loan in accordance with the debt equity ratio of 70 : 30 as per MYT norms.

The Commission notes that CESC has availed the major portion of the capital loan from PFC/REC at the interest rate ranging from 7% to 12% per annum.

As per the audited accounts and as per the APR of FY22, the CESC had incurred interest on capital loan at a weighted average interest rate of 9.22% per annum. The Commission has considered the reckoned weighted average interest rate of 9.31% per annum of FY23, for the existing loan balances for which interest has to be factored during FY24.

The Commission notes that, the present SBI MCLR rate for capital loan with tenure of 3 years is 8.60%. Considering rate of interest at which the capital loans drawn by CESC from REC and PFC and the present MCLR based interest rates with the admissible basis points, the Commission decides to allow the interest rate of 10.60% for FY24 for new capital loan borrowings. It shall be noted that, the rate of interest now considered by the Commission, on the new capital loans for FY24, is subject to review during APR of FY24.

Accordingly, the approved interests on loans for FY24 are as follows:

TABLE – 5.20
Approved Interest on Capital Loans for FY24

Amount in Rs. Crores

Particulars	**FY24**
Opening Balance of Capital Loans	1894.31
Add: New Loans borrowed	425.00
Less: Repayment of Loans	217.33
Total loan at the end of the year	2101.97
Average Loan	**1998.14**
Interest paid on long term loans	188.70
Weighted average rate of interest on the existing loan in %	9.31%
Interest on new loans (MCLR as on 15.01.2022 = 8.60 for more than 3 year term+2.00(200 basis point)	10.60%
Total interest on capital loan allowed	**188.70**

Thus, the Commission decides to approve interest on capital loans of Rs.188.70 Crores for FY24.

5.2.11 Interest on Working Capital:

CESC's proposal:

CESC in its Petition, has claimed Rs.221.83 Crores as against Rs.100.99 Crores as approved by the Commission towards interest on working capital for FY24. CESC has submitted that it has calculated the interest on working capital on normative basis as per MYT Regulations considering the interest on working capital at 10.55% per annum on the basis of the MCLR of SBI as on November 15, 2022, for 1 year is 8.05% with 250 basis points for FY24.

CESC has informed that it has also included an amount of Rs. 50.16 Crores towards interest on the loan amount availed for payment of power purchase bills of Solar and Wind generators from IREDA. Further, in accordance with gazette notification of MoP dated 03.06.2022 regarding clearing the outstanding power purchase dues, CESC has applied for loan of Rs.1398.05 Crores at an interest rate of 8.80% +1% govt. guarantee on annual rest.

Commission's Analysis and Decision:

The Commission, as per the norms specified under the MYT Regulations, has computed the interest on working capital which consists of one-month O & M expenses, 1% of Opening GFA and two month's revenue as receivables.

The Commission notes that CESC has availed the working capital loan at the rate of 7.25% to 12% per annum during FY22.

The Commission notes that, the present interest rates charged by the commercial banks and financial institutions is mainly on the basis of MCLR declared from time to time. Hence, the Commission has considered MCLR, depending upon the tenure of the loan. The Commission notes that the SBI MCLR for loan with a tenure upto one year is 8.40%. Therefore, the Commission by reckoning interest at which the short-term loans availed by CESC and taking into consideration the present MCLR and the internal rates, charged by the Commercial Banks as per the provisions of the MYT Regulations, decides to reckon the SBI MCLR rate of 8.40% with 250 basis points, at 10.90% per annum in allowance of interest on working capital for FY24 as under:

TABLE – 5.21
Approved Interest on Working Capital for FY24

Amount in Rs. Crores

Particulars	FY24
One-twelfth of the amount of O&M Exp.	90.60
Opening GFA	7203.10
Stores, materials and supplies - 1% of Opening balance of GFA	72.03
One-sixth of the Revenue	941.28
Total Working Capital	1103.91
Rate of Interest (% p.a.)	10.90%
Interest on Working Capital	**120.33**

Thus, the Commission decides to approve the interest on working capital of Rs.120.33 Crores for FY24.

5.2.12 Interest on Consumer Deposit:

CESC's proposal:

CESC in its filing, has claimed Rs. 64.60 Crores as interest on consumer security deposit as against Rs. 40.22 Crores as approved by the Commission for FY24. CESC has submitted that it has considered RBI interest rate of 6.15% existing as on 30.09.2022 for computing interest on consumers' security deposit.

Commission's Analysis and Decision:

For computing the Interest on consumers' security deposits, the Commission in accordance with the provisions of the KERC (Interest on Security Deposit) Regulations 2005, has considered the interest rate on the Consumer Security Deposits is the Bank Rate prevailing on the 1st of April of the financial year for which interest is due. The Commission has considered the latest bank rate of 6.50%, as per Reserve Bank of India Notification dated 07.12.2022, for computation of interest on consumer deposits for FY24.

The Commission has considered the consumer security deposits as per the audited accounts of FY22 and half yearly accounts of FY23 and has noted the additional amount of deposit collected from the consumers during the previous years. The Commission based on the amount of consumer's security deposited collected during the previous three years has decided to factor Rs.65.37 Crores and Rs.70.00 Crores as the additional security deposit likely to be collected during FY23 and FY24. Thus, the interest on consumer deposits for FY24 is computed as follows:

TABLE – 5.22
Approved Interest on Consumer Security Deposits for FY24

Amount in Rs. Crores

Particulars	FY24
Opening balance of consumer deposits	938.25
Addition of deposits over previous year	70.00
Closing balance of consumer deposits	1008.25
Average consumer deposit	973.25
Rate of Interest at bank rate to be allowed as per regulations	6.50%
Allowable Interest on Consumer Security Deposit	**63.26**

Thus, the Commission decides to approve interest on consumer deposits at Rs.63.26 Crores for FY24.

5.2.13 Other Interest & Finance Charges:

CESC has claimed Rs.12.70 Crores for FY24 towards Other Interest & Finance Charges paid to banks and other financial institutions to raise loans including guarantee commission paid to GoK.

Accordingly, the Commission based on the actual amount of expenditure incurred in raising the loans decided to consider Rs.12.70 Crores towards Other interest & Finance Charges for FY24.

5.2.14 Interest and other expenses capitalized:

CESC has indicated an amount of Rs.10.00 Crores towards capitalization of interest for FY24.

Considering the capital expenditure incurred and amount of expenditure capitalized in the previous years, the Commission decides to allow capitalization of interest and other expenses of Rs.10 Crores, as claimed by CESC, as proposed by CESC, for FY24.

The abstract of approved interest and finance charges for FY24 are as follows:

TABLE – 5.23

Approved Interest and finance charges for FY24

Amount in Rs. Crores

Particulars	FY24
Interest on Loan Capital	188.70
Interest on Working Capital	120.33
Interest on Consumers Deposit	63.26
Other Interest & Finance charges	12.70
Less: Interest & other expenses capitalized	-10.00
Total Interest & Finance Charges	**374.99**

5.2.15 Other Debits:

CESC in its application has claimed an amount of Rs.12.20 Crores towards other debits for FY24.

The Commission as per the provision of MYT Regulations, and amendment thereon is not allowing the other debits as claimed by the CESC, as the same cannot be estimated beforehand. However, such expenses, as per the provision of MYT Regulations, would be considered as per the actual expenses as disclosed in the audited accounts, for the relevant years, at the time of APR.

5.2.16 Return on Equity:

CESC's proposal:

CESC in its application has not claimed any Return on Equity for having estimated negative net-worth for FY24.

Commission's Analysis and Decision:

The Commission in its preliminary observations, had directed CESC to submit the GO-wise details of additional equity infused by the GoK during FY23.

Accordingly, CESC vide its replies to the preliminary observations, has submitted the details (along with the copy of G.O.) of Rs.8.76 Crores of equity released by GoK during FY23.

The Commission, for the purpose of allowing the RoE, has considered the actual closing balance amount of share capital, share deposits and the accumulated surplus / deficit under reserve & surplus the as per the audited accounts for FY22 for arriving at the allowable equity base for FY24.

The Commission, in accordance with the provisions of the MYT Regulations, has considered 15.5% of Return on Equity duly grossed up with the applicable Minimum Alternate Tax (MAT) which works out to 18.7815% per annum for FY24. As per the decision of the Commission in the Review Petition No.6/2013 and Review Petition 5/2014, and the amended provisions of the MYT Regulations, the Return on Equity is required to be computed based on the opening balances of share capital, share deposits and the accumulated balances of surplus / deficit under reserves and surplus account. Further, an amount of Rs.23 Crores of recapitalized consumer deposit, as net-worth is also considered as per the orders of the Hon'ble ATE in Appeal No.46/2014.

As per the orders of the Hon'ble ATE in Appeal No.46/2014, the opening and closing balances of gross fixed assets along with break-up of equity and loan component in the Tariff Orders are indicated below. Accordingly, the details of GFA, debt and equity (net worth) for FY24 are as follows:

TABLE – 5.24
Status of Debt Equity Ratio for FY24

Amount in Rs. Crores

Year	Particulars	GFA	Debt	Equity (Net worth)	Normative Debt @ 70% of GFA	Normative Equity @ 30% of GFA	%age of actual debt on GFA	%age of actual equity on GFA
FY24	Opening Balance	5124.35	1894.31	-1303.36	3587.05	1537.31	36.97%	-25.43%
	Closing Balance	5590.55	2101.97	-1303.36	3913.39	1677.17	37.60%	-23.31%

From the above Table it is evident that the ratio of debt to GFA amounts lie within the normative ratio of 70: 30 on the opening and closing balances of projected GFA for FY24. Further the equity is indicating a negative balance, the debt equity ratio is not comparable. The Commission will review the same during the Annual Performance Review for each year based on the actual data, as per the audited accounts.

Based on the above, the computation of allowable Return on Equity for FY24 is as follows:

TABLE – 5.25

Return on Equity for FY24

Amount in Rs. Crores

Particulars	FY24
OB - Paid Up Share Capital	1081.63
OB - Share Deposit	26.52
OB - Reserves and Surplus	-2388.52
Less: Recapitalized Security Deposit	-23.00
Total Equity	**-1303.37**
RoE at 15.5%	0.00
RoE at 15.5% Grossed up with applicable MAT 18.7815%	**0.00**

Thus, considering the negative net-worth of CESC, the Commission decides not to allow any Return on Equity for FY24. This is subject to truing up as per the actual equity and tax paid for the relevant year as per the audited accounts for FY24.

5.2.17 Other Income:

CESC's proposal:

CESC in its Petition, has claimed Rs.287.89 Crores as against Rs.135.77 Crores as approved by the Commission towards 'Other Income' for FY24. CESC has included the depreciation on assets created out of Consumer Contribution / grants for Rs.91.70 Crores also notes other income with 5% increase year-on-year, as detailed below:

TABLE – 5.26

Other Income – CESC's Proposal

Amount in Rs. Crores

Particulars	FY24
Interest on bank fixed deposits	1.56
Profit on sale of stores	0.24
Profit on sale of scrap	10.01
Other miscellaneous receipt from trading	0.02
Rental from staff quarters	2.05
Rental from others	1.02
Excess found on physical verification of stock	0.13

Commission for collection of electricity duty	1.18
Misc. recoveries	150.09
Incentives received	15.39
One time maintenance cost for new layouts	1.81
Supervision Charges	12.69
Depreciation withdrawn from Contribution/subsidies as per AS-12	91.70
Total Other Income	**287.89**

Commission's Analysis and Decision:

The Commission notes that the other income earned by the CESC mainly includes withdrawn depreciation on assets created out of consumer Contribution/subsidies as per AS-12, interest on bank fixed deposits, rental from staff / other, profit on sale of scrap / stores, miscellaneous recoveries, supervision charges, rent from staff quarters and rebate on collection of electricity duty besides incentives for timely payment of power purchase bills. The actual 'other income' earned by CESC as per the audited accounts for FY22 is Rs.206.76 Crores.

Based on the other income earned by the CESC in the previous year, without considering the depreciation on assets created out of consumer contribution / grants, and allowed to retain 10% of the projected rebate on Power Purchase bills, the Commission decides to allow an amount of Rs.194.30 Crores as the other income for FY24.

Thus, the, Commission decides to consider the other income of Rs.194.30 Crores for FY24.

5.2.18 Fund towards Consumer Relations / Consumer Education:

CESC in its application has not claimed any amount towards consumer relation education for FY24.

The Commission has been allowing an amount of Rs.0.50 Crore per year towards consumer relations / consumer education towards taking action as specified under guidelines for consumer education and grievance redressal activities.

The Commission decides to allow Rs.0.50 Crore for FY24 towards meeting the expenditure on consumer relations / consumer education.

The Commission reiterates that CESC should furnish a detailed plan of action for utilization of this amount and also maintain a separate account of these funds and furnish the same at the time of APR.

5.3 Tariff Subsidy for FY24

The Commission has allowed 95.12 MU and 3084.54 MU as the sale of power to BJ/KJ and IP installations respectively for FY24. Accordingly, for the sale of power to these category of consumers, the approved tariff subsidy at the revised retail supply tariff is Rs.81.71 Crores and Rs.2134.58 Crores respectively. Thus, the total subsidy payable by GoK as per the prevailing Government Order to CESC is Rs.2216.29 Crores for FY24.

5.4 Abstract of ARR for FY24:

In the light of the above analysis and decisions of the Commission, the following is the approved ARR for FY24:

TABLE – 5.27
Approved ARR for FY24

Amount in Rs. Crores

Sl. No.	Particulars	As approved in T.O dated 04.04.2022	As Filed	As Approved
1	Energy @ Gen Bus in MU	8137.86	8245.68	8212.89
2	Transmission Losses in %	2.764%	2.764%	2.764%
3	Energy @ Interface in MU	7912.93	8017.77	7985.89
4	Distribution Losses in %	10.35%	10.60%	10.35%
	Sales in MU:			
5	Sales to other than IP & BJ/KJ	3738.15	3916.80	3979.69
6	Sales to BJ/KJ	96.56	97.03	95.12
7	Sales to IP	3259.23	3154.07	3084.54
	Total Sales in MU	**7093.94**	**7167.89**	**7159.35**
	Revenue at existing tariff			
8	Revenue from tariff and Misc. Charges	0.00	3475.45	3596.41
9	Tariff Subsidy in BJ/KJ	0.00	78.69	77.14
10	Tariff Subsidy in IP	0.00	2018.60	1974.11
	Total Existing Revenue	**5503.93**	**5572.74**	**5647.66**

Sl. No.	Particulars	As approved in T.O dated 04.04.2022	As Filed	As Approved
	Expenditure			
11	Power Purchase Cost	3511.37	4018.16	3657.01
12	Transmission charges of KPTCL	580.93	581.61	615.67
13	SLDC Charges	3.43	3.43	2.84
	Power Purchase Cost including cost of transmission & SLDC Charges	**4095.73**	**4603.20**	**4275.52**
	O&M Expenses	**979.46**	**975.39**	**1087.23**
14	Depreciation	317.40	431.85	304.65
	Interest & Finance charges:			
15	Interest on Capital Loans	165.83	216.01	188.70
16	Interest on Working capital loans	100.99	221.83	120.33
17	Interest on belated payment on PP Cost	0.00	0.00	0.00
18	Interest on consumer security deposits	40.22	64.60	63.26
19	Other Interest & Finance charges	5.44	12.70	12.70
20	Less: interest & other expenses capitalized	-10.00	-10.00	-10.00
	Net total Interest & Finance charges	**302.49**	**505.14**	**374.99**
21	Other Debits	0.00	12.20	0.00
22	Net Prior Period Debit/Credit	0.00	0.00	0.00
	Provision for Income tax	0.00	0.00	0.00
23	Return on Equity with MAT	0.00	0.00	0.00
24	Funds towards Consumer Relations/Consumer Education	0.50	0.00	0.50
26	Other Income	-135.77	-287.89	-194.30
27	**Net ARR**	**5559.81**	**6239.90**	**5848.59**
28	Surplus / deficit(-)for FY22 carried forward	0.00	-382.57	-299.74
29	**Total Net ARR for FY24**	**5559.81**	**6622.48**	**6148.33**
30	**Net Deficit/Surplus for FY24**	**-55.88**	**-1049.74**	**-500.66**

Thus, the Commission hereby approves the revised ARR of Rs.6148.33 Crores for FY24.

5.5 Segregation of ARR into ARR for Distribution Business and ARR for Retail Supply Business:

CESC in its application has proposed the segregation of consolidated ARR into ARR for Distribution Business and ARR for Retail Supply based on the

Commission's existing ratio of segregation as considered in Tariff Order 2022 dated 04.04.2022.

Commission's Analysis and Decision:

The Commission has noted the ratios proposed by CESC for segregation of consolidated ARR into ARR for Distribution Business and ARR for Retail Supply in its filing and has not justified its proposal. In the absence of any justified proposal, the Commission decides to continue with the existing ratio of segregation of ARR as detailed in the following table:

TABLE – 5.28

Segregation of ARR – FY24- CESC's Proposal

Particulars	Distribution Business	Retail Supply Business
Power Purchase	0%	100%
O&M Charges	51%	49%
Depreciation	84%	16%
Interest and Finance charges	100%	0%
Interest to consumer deposits	53%	100%
Other Income	2%	98%
RoE	75%	25%
GFA	84%	16%

Accordingly, the following is the approved ARR for Distribution Business and Retail supply business:

TABLE – 5.29

Approved ARR for Distribution Business

Sl. No	Particulars	FY23
1	R&M Expenses	554.49
2	Employee Expenses	
3	A&G Expenses	
4	Depreciation	255.91
	Interest & Finance Charges	
	Interest on Capital Loans	188.70
	Interest on Working capital loans	14.44
	Interest on consumer security deposits	0.00
	Other Interest & Finance charges	12.70
	Less interest & other expenses capitalised	-10.00
11	Other Debits (incl. Provision for Bad debts)	0.00

12	Extraordinary Items	0.00
13	Other (Misc.)-net prior period credit	0.00
	Total	**1008.88**
15	ROE	0.00
16	Other Income	-3.89
17	Provision for taxes	0.00
18	Regulatory Assets	0.00
	NET ARR	**1005.00**

TABLE – 5.30

APPROVED ARR FOR RETAIL SUPPLY BUSINESS – FY24

Amount in Rs. Crores

Sl. No	Particulars	FY23
1	Power Purchase	4275.52
3	R&M Expenses	532.74
4	Employee Expenses	
5	A&G Expenses	
6	Depreciation	48.74
	Interest & Finance Charges	
	Interest on Capital Loans	0.00
	Interest on Working capital loans	113.24
	Interest on consumer security deposits	63.26
	Other Interest & Finance charges	0.00
	Less interest & other expenses capitalised	0.00
13	Other Debits (incl. Prov. for Bad debts)	0.00
14	Extraordinary Items	0.00
15	Other (Misc.)-net prior period credit	0.00
16	Power purchase cost as per decision in OP No.8/2009 dated 11.12.2009	0.00
	Total	**5033.50**
17	ROE	0.00
18	Other Income	-190.41
19	Provision for taxes	0.00
20	Fund towards Consumer Relations / Consumer Education	0.50
21	Regulatory Assets	0.00
22	**NET ARR**	**4843.59**

5.6 Gap in Revenue for FY24:

As discussed above, the Commission decides to approve the revised Annual Revenue Requirement (ARR) of Rs.**6148.33** Crores as against CESC's proposal for approving ARR of Rs.6622.48 Crores for FY24. The ARR approved for FY24 includes an amount of Rs.299.74 Crores, which is approved as the revenue gap for FY22, as per APR for FY22, as discussed in Chapter-4 of this Order.

5.7 Revenue

Based on the existing retail supply tariff, the total revenue from existing tariff considering the approved sales for FY24, will be Rs.5647.66 Crores. Considering the approved ARR of Rs.6148.33 Crores, there will be a revenue deficit of Rs.500.67 Crores, for FY24. The above deficit has to be recovered through revision of retail supply tariff for FY24, with effect from the 1st metering date falling on or after 1st April 2023.

The net ARR and the surplus/gap in revenue for FY24 is shown in the following table:

TABLE – 5.31
Revenue Deficit for FY24

Particulars	FY24
Net ARR (in Rs. Crores)	6148.33
Approved sales (in MU)	7159.35
Average Cost of Supply (Rs. Per unit)	8.59
Revenue at existing tariff (in Rs. Crores)	5647.66
Net deficit in revenue for FY24 (in Rs. Crores)	**(-)500.67**

The details of revised retail supply tariff, on the basis of the above approved ARR, is discussed and approved in Chapter-6 of this Order.

CHAPTER-6

DETERMINATION OF RETAIL SUPPLY TARIFF FOR FY24

6.0 Revision of Retail Supply Tariff for FY24-CESC's Proposals and Commission's Decisions:

6.1 Tariff Application:

CESC, in its tariff application, has projected the revised ARR of Rs. 6622.46 Crores with an unmet gap in revenue of Rs.1049.72 for FY24, which also includes the revenue deficit of Rs.382.57 Crores for FY22. In order to bridge this gap in revenue, CESC has proposed to increase both the fixed and energy charges with an average tariff increase of 146 paise per unit, in respect of all the categories of consumers.

In the previous chapters of this Order, the revision of ARR consequent on Annual Performance Review (APR) for FY22 and the approval of revised ARR for FY24, has been discussed. The revision of retail supply tariff for FY24 is discussed in this Chapter.

6.2 Statutory Provisions guiding determination of Tariff:

In terms of 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 is 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 in the manner specified by the Commission;
- ❖ efficiency in performance shall be rewarded: and
- ❖ a multi-year tariff framework is adopted.

As per Section 62(5) of the Electricity Act, 2003, read with Section 27(1) of the Karnataka Electricity Reform Act, 1999, the Commission is empowered to specify, from time to time, the methodologies and the procedure to be observed by the licensees in computing the Expected Revenue from Charges (ERC). In pursuance of these statutory provisions and in accordance with the Regulations and Orders issued from time to time, the Commission has determined the Tariff for the year FY24.

6.3 Factors Considered for Tariff setting:

The Commission has kept in view the following factors relevant for determination of retail supply tariff:

a) **Tariff Philosophy**:

As discussed in the earlier Tariff Orders, in respect of consumers whose ability to pay is considered inadequate, the Commission has continued to fix tariff below the average cost of supply and in respect of certain categories of consumers whose ability to pay is considered to be higher, has fixed the tariff at or above the average cost of supply. Thus, the system of cross subsidy has been continued. However, it has been the endeavour of the Commission 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 the 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 level supply. Therefore, the Commission has decided to continue the fixation of tariff with reference to the average cost of supply for recovery of the ARR. However, in terms of the Orders of the Hon'ble ATE, the cross subsidy with reference to the voltage-wise cost of supply has been worked out and indicated in the Annexure-3 to this Order.

c) Cross subsidisation and Rationalisation of Tariff:

Consequent on merger of Urban and Rural tariff categories and rationalization of tariff structure, the status of cross subsidization is as under:

However, in order to soften the burden of increase in tariff of rural consumers, the Commission decides to extend a rebate 30 paise per unit to the consumers falling under village panchayats. In respect of LT5 category, the rebate of 30 paise per unit shall be applicable for consumers of village panchayat areas & Town Municipal Council areas.

Cross subsidising Consumer categories:

a. LT 2(a).. Domestic (In higher slabs only)
b. LT-3 LT Commercial
c. LT-5 LT Industrial
d. LT2b Private Educational Institutions & Hospitals
e. HT2 (a) HT Industrial.
f. HT2(b) HT Commercial
g. HT2(c) Govt. / Private Educational Institutions & Hospitals
h. HT (4) HT Residential
i. HT5 & LT& Temporary Supply

Cross subsidised Consumer categories:

LT4 (a) & (b) –Agriculture
LT4(c) Private Nurseries & Plantations
LT6 (a) & HT1 Water Supply
LT6(b) & (c) Street Lights & EV Charging Stations.

While the Cross Subsidizing consumers are paying above the Average Cost of Supply, the Cross Subsidized consumers are paying less than the Average Cost of Supply. The level of cross subsidies is indicated in Annexure-3. In this regard, the Commission, while fixing the tariff, is progressively reducing the level of cross subsidization to bring down the cross subsidy levels, as envisaged in the Tariff Policy, 2016 issued by the Government of India

d) Uniform Tariff Across ESCOMs:

In view of the Policy of Government of Karnataka to fix uniform tariff across the ESCOMs, the power allocation from generating stations owned by the State Govt./ Central Govt./ IPPs is being made, year on year, by the GoK to make the average cost of supply comparable. As a result, high cost energy is being allocated to good performing ESCOMs (like BESCOM & MESCOM) and low cost energy is being allocated to under-performing ESCOMs of the State to ensure uniform tariff across the ESCOMs.

e) **Rationalisation of Tariff:**

Hitherto the Commission has been determining differential retail supply tariff for consumers in urban and rural areas, beginning with its Tariff Order, dated 25th November, 2009. Consequent on taking up several extension and improvement works like, NJY, bifurcation IP set feeders and other Central and State Government sponsored schemes the quality and reliability of supply of power to the rural areas has improved considerably. In view of this, the Commission is of the view that continuation of differential tariff is no longer warranted. Further, the Forum of Regulators has also been recommending simplification and rationalisation of tariff structure in the States. In view of this, the Commission has proceeded to simplify and rationalise the tariff for FY24.

6.4 New tariff Proposal by CESC:

1. Time of Day (ToD) tariff to all HT consumers:

The other ESCOMs in their tariff applications have proposed the revision of exiting ToD tariff structure.

In the filing the ESCOMs have submitted that as per the provisions of the Electricity Act 2003, National Electricity Policy, National Tariff Policy, Regulations requires implementation of the ToD metering. The Working Group Report of FoR on metering issues as recommended the implementation of the ToD metering even for the connected load of 25 KW and above.

Rationality of ToD tariff proposals and fixation of TOD slots and tariff applicable for each slot:

The other ESCOMs in their filing have submitted that, seven months in the Financial Year, i.e., Dec, Jan, Feb, Mar, April, May and June has been considered as high demand period and the balance 5 months (July-Aug, Sept, Oct and Nov) is low demand period. The present ToD tariff divided the day into three blocks with 4 hours as peak period, 8 hours as off-peak period and 12 hours as normal period. ESCOM's have proposed to divide the day into blocks with 8 hours as peak period, 11 hours as off-peak period, and 5 hours as a normal period. The rebate in tariff for off peak period consumption has been proposed at the same rate across all the high and low demand periods. The additional per unit rate for consumption during peak periods in high demand periods has been proposed at almost double the tariff in the low demand period. The proposed ToD tariff system, would benefit all the HT consumers by passing on the low cost power during off-peak/low demand periods, and also helpful in flattening of the load curve with the shifting of some part of the demand from peak periods to off-peak periods, which in turn will address the problems of intermittency of renewable energy and grid management to some extent. The power rates in the exchanges are higher during high demand periods and lower during the low demand periods. As per the estimates, there will be a shortage of power for the ESCOMs to meet their energy requirement during the high demand period. Therefore, market/exchange purchases may be inevitable for which the ESCOMs are likely to incur high costs on power to some extent. The State is trading maximum power during 00-00 - 05:00 Hrs & 09:00 - 16:00 Hrs (Solar) and during monsoon season (between June to Sept) and between 9.00 am to 4.00 pm, when there is solar generation and also between 0:00 hrs to 5:00 hrs when demand is less.

By catering 51% of the IP load during the day time, SLDC is able to sell excess energy during the normal hours of the day.

ESCOMs have submitted peak demand and average demand during the period October 2021 to September, 2022 and proposed to divide a day into peak, off-peak, and normal periods into six slots.

ESCOMs have proposed the revised ToD tariff as detailed below:

Time of Day		Dec to June	July to Nov
		(rebate/penalty in addition to the base tariff, Rs. per unit)	
06.00 to 10.00	Peak	1.50	1.00
10.00 to 15.00	Off-peak	-0.75	-0.75
15.00 to 18.00	Normal	0	0
18.00 to 22.00	Peak	1.50	1.00
22.00 to 24.00	Normal	0	0
24.00 to 06.00	Off-Peak	-0.75	-0.75

ESCOMs have requested the Commission to introduce ToD tariff mandatorily to all HT consumers irrespective of connected load and category of usage.

Commission's Analysis & Decisions:

The Commission notes the submission made by ESCOMs with regard to the revised ToD proposal. The Commission notes that except BESCOM, MESCOM and HESCOM, the other ESCOMs have not sought the revision in ToD Tariff. The Commission has carefully examined the proposal for revising ToD tariff structure. It is noticed that the details furnished by the ESCOMs are not supported by any technical data to justify that by revising the existing ToD structure how far they are able to flatten the demand curve in the peak hours.

For getting more clarity in the matter, the Commission had several rounds of discussions with the BESCOM, SLDC and PCKL officials. After discussions, it was agreed by the BESCOM and SLDC officials to reconsider the issue and submit revised proposal with relevant technical data. However, neither BESCOM nor SLDC have submitted any revised proposal or justified the earlier proposal. The Commission in its Tariff Order by considering the surplus power situation and as the suggestions of the ESCOMs, KPTCL, SLDC, PCKL and the stake holders had approved the ToD tariff in the Tariff Order.

The Commission further held the meeting with BESCOM and SLDC with regard to the ToD tariff proposal of ESCOMs. The Commission directed the SLDC to submits its opinion. Accordingly, the SLDC has submitted its report on the ToD proposal of ESCOMs vide Email dated 28.04.2023.

In the report it is submitted that, as per the LGBR data, State is in deficit during morning & evening non-solar hours. Accordingly, earlier it had submitted to introduce the ToD tariff during morning hours and continuation of evening ToD, to meet the demand during these periods, as the availability of power in the market is minimal with maximum cost. The proposal of ESCOMs for introduction of Time of Day (ToD) is essential for smooth functioning of State grid and dispatch of Electricity economically.

The SLDC has submitted the impact on relaxation of ToD during morning/evening peak hours as under:

- ❖ There can be additional loading in the system during peak hours (approx. to an extent of 1000 to 1500MW), maintaining the system parameters (voltage, frequency) as per grid code with this additional load, firm power units viz., thermal power to be brought on bar for this specific period to meet this additional demand, which will be not economical from grid operation perspective.
- ❖ Shifting of loads will also affect during non-solar hours, being an RE rich state, sufficient loads have to be balanced when injection of wind generation is high during night periods.
- ❖ During high wind penetration, most of the thermal units are kept under shutdown to absorb the must run RE by using hydro for ramping on short duration.
- ❖ The wind generation as observed is predominantly less in the morning and evening peak hours, ToD will help the grid management during these hours provided the loads are shifted in reality.

- ❖ The domestic and commercial loads are predominantly more in the morning/evening peak hours and if compounded with the relaxation of TOD, additional loads from Industrial has to be met, this requires firm power (Thermal units) during this period.
- ❖ The power is not available in Market during Morning & evening hours, relaxing the ToD during Morning & evening hours will prompt the OA customers to use the state grid during this hours, this will be additional burden to the State grid.

As per the details of the projected and actual generation availability and demand submitted for April-23 (upto 26th), SLDC has submitted that, there is a deviation of projected generation and actual generation due to forced outage of units. Due to unprecedented rise in demand, during this financial year, the relaxation of ToD during evening hours will have substantial impact for grid operation to maintain within the permissible limit of UI as per the new DSM regulation. At present, the State is managing this unprecedented rise in demand with the help of banking arrangement of UPPCL & PSPCL and also by utilizing the market effectively.

By considering the above submissions SLDC has opined to continue the existing ToD facility to all HT consumers for better grid management.

In the absence of any justifiable data and the opinion submitted by SLDC on the revised ToD tariff proposal of ESCOMs and by considering the surplus power situation in the State, the Commission decided to continue with the existing approved ToD Tariff.

2. Parallel Operation Charges/Grid Support Charges proposal for captive power plants:

CESC, in its application has claimed Grid Support Charges/ Parallel Operation charges in respect of all the Captive Power plants, since they seek parallel operation for safety, security and reliability of operation with the support of a much larger and stable system. It is submitted that captive Power Plants are running in parallel with grid and continuously taking the support of grid for their captive and process operations. To justify its claim CESC has stated that the Parallel Operation Charges/Grid Support Charges are being collected in other States like Gujrat, Tamil Nadu, Madhya Pradesh, Chhattisgarh etc.

Commission's Analysis & Decisions:

The Commission notes that during the public hearing, the consumer organisations/ captive generators have vehemently opposed imposing the Parallel operation/grid support charge. In this regard, the Commission had issued the discussion paper on introduction of grid interactive support / grid support charge to all the Solar Rooftop consumer under net metering and any captive plant which is connected to the grid. The Commission, by considering the objections raised by the stake holders during the public hearing on the tariff application filed by ESCOMs, is of the opinion that, a study needs to be conducted before taking any decision in the matter.

As such the Commission decides to take up the issue after conducting a detailed study and analysis on the subject.

3. Increase in Demand Charges for HT consumers:

CESC and other ESCOMs has proposed to increase the Demand Charges (Fixed costs) in respect of all the consumer categories. It is submitted that in the tariff structure the recovery of fixed charges and energy charges is not proportionate to actual fixed cost and energy charges incurred by ESCOMs.

CESC has submitted that, the expenditure in respect of Fixed costs and Variable cost is in the ratio of 58:42. But as per the tariff fixed by the Commission the ratio of recovery is 13:87, resulting in recover of the substantial portion of fixed cost through energy charge.

It is further submitted that as and when the HT consumers avail open access by drawing power from other sources or due to reduction in consumption on account installing of captive power units and for any other reasons, to the extent of reduced energy consumption, CESC would under recover the fixed cost which is included in the energy charge. This is affecting CESC financially. In view of this. CESC and other ESCOMs has proposed substantial increase in demand/

fixed charge across all the consumer categories and also reduction in energy charge so as ensure full recovery of fixed cost.

CESC has also compared the fixed charges being levied in the other States like Madhya Pradesh, Tamil Nadu and Andhra Pradesh to justify the claim for increase in fixed charges.

Commission's Analysis & Decision:

The Commission has carefully considered the proposal of CESC and other ESCOMs for increasing the Demand/ Fixed charge.

The Commission, in its earlier Orders, has been emphasizing the need to recover the fixed costs in the tariff by increasing the monthly rate of fixed costs gradually. As long as the consumers are drawing the power from the CESC, the CESC is assured of the full cost recovery, in the form of demand charges and energy charges. The question of under recovery of fixed charges would arise only when the consumers opt for Open Access(OA).

The Commission, to address the issue of under-recovery of fixed cost from the consumers had issued a discussion paper on 28.09.22 and sought views/ suggestions/ objections of the stakeholders. In the said Discussion Paper, the following issues were discussed:

The Fixed costs are the costs which are incurred by the ESCOMs to pay to the Generating Companies, Transmission Company and meet the costs towards creation and maintenance of Distribution network with in the ESCOMs.

The Fixed costs in the Generating Company are those which are incurred in land acquisition, construction of Generating station, payment of employee costs (salaries & pension), interest on loans, depreciation, return on equity and taxes thereon.

Similarly, fixed costs in Transmission (based on the transmission capacity created) and Distribution Companies (towards the distribution network), pertain to all the costs incurred for creation of transmission/ distribution network, payment of employee costs (salaries & pension), payment of interest on loans, depreciation, return on equity and taxes thereon.

The above fixed costs are required to be incurred, by the ESCOMs, month on month, irrespective of the quantum of energy sold to the consumers.

The Fixed Charges/ Demand Charges, included in the bill, pertain to the charges fixed in tariff based on the sanctioned load of the consumers' installations, expressed in terms of Rs. per kW/KVA of the sanctioned load / contracted demand.

Fixed charges are levied to recover the fixed cost incurred on arranging power supply to the end consumers. Whereas, Energy Charges or the variable charges are those which relate to the cost of generation of electricity generated from a generating unit. It mainly consists of the primary and secondary fuel costs in the form of cost of coal or gas and oil in thermal units.

While the Fixed cost determined on per kW / KVA per month (of the sanctioned load) basis remain the same, the energy charges vary according to the quantum (KWh/ unit) of electricity used by the Consumer.

Traditionally, the recovery of fixed cost through demand charges was fixed at nominal rates, whereas a substantial portion of the fixed cost of electricity was recovered through energy/ variable charges. Thus, the recovery of fixed cost and the energy charge was not reflective of the actual per unit costs towards fixed and variable expenses incurred by the Electricity Supply Companies (ESCOMs).

As per the Provisions of the Electricity Act, 2003, due to introduction of 'Open Access' in the electricity business, the ESCOMs are required to allow open access to their consumers, to enable them buy power from other sources at competitive rates. While availing open access, the consumers buy power from outside sources other than the ESCOMs and to the extent of energy purchased from outside sources, the consumers will not pay energy charges to the ESCOMs. Thus, the ESCOMs will not be able to recover the fixed costs which are a part of the energy/ variable charges. This results in under recovery of fixed costs embedded in the energy charges. As the ESCOMs are required to pay the fixed cost to the generating and transmission companies, irrespective of the of energy purchased / transmitted by them, the ESCOMs are made to pay fixed charges to the generators and transmission charges even for the energy not purchased by the Open Access consumers from the grid. Thus, the ESCOMs are losing the fixed cost embedded in the energy charges (revenue) for the energy drawn through open access consumers for which the ESCOMs are required to pay full fixed costs.

In view of the above situation, ESCOMs have been praying the Commission to substantially increase the rate of recovery of Fixed Charges and to proportionately reduce the Energy Charges so as to ensure adequate recovery of fixed costs from consumers, with reference to the actual fixed costs incurred by them.

During the public hearing, the stakeholders in general and industrial consumers in particular, have opposed the proposal of the ESCOMs to substantially increase the fixed cost. They have expressed their dissatisfaction over ESCOM's lacklustre attitude in promoting the sales.

The stakeholders also pointed that, in case the Commission allows recovery of full fixed cost, there is every likelihood of the ESCOMs becoming complacent in the performance of their duties as they are assured of recovery of full fixed cost.

The Commission has been considering gradual increase in the rate of fixed costs over a period of time, with a view to balance the interest of both consumers and ESCOMs, instead of substantially increasing the fixed cost upfront.

The Commission notes that, as per the Tariff Order 2022 dated 04.04.2022, the Commission had determined the fixed charges / demand charges so as ensure recovery of fixed cost to an extent of 53.96 % which also includes recovery of fixed charges embedded through CDT in respect of IP set installations.

Further, as per the provisions of the Electricity Act 2003, the ESCOMs should realise the cost of supply from all the category of consumers and should not confine themselves with the recovery of increased fixed cost only to specific categories of consumers. Mere increasing the fixed charges/demand charges and reducing energy charges to HT consumers does not appears to be a proper approach to retain HT/EHT/Open Access consumers.

In order to retain the HT Consumers, CESC shall make wide publicity of the schemes approved by the Commission and promote sales by adopting various marketing strategies to encourage the consumers to avail the schemes approved by the Commission.

Comparison of the recovery of Fixed costs in other States by CESC is also not appropriate, since the cost components in other States will vary accordingly to generation mix, geographical considerations and the overall economic conditions prevailing in the States. In Karnataka historically, the thrust was more on recovery of energy charges rather than the fixed charges.

The Commission notes that one of the major reasons for consumers opting for open access is the frequent interruptions in power and the poor reliability in supply of power to consumers. CESC is advised to improve the power supply reliability by reducing interruptions and distribution losses, to maximise its revenues.

In view of the above, the Commission is not in favour of CESC's submission for substantially increasing the fixed charge at one go and reduce the energy charges. Hence, the Commission has considered a moderate increase in fixed charges to all the category of consumers, so as to ensure gradual increase in the fixed costs as envisaged in the Tariff Policy of the GoI.

In this Tariff Order, in order to balance the interest of consumers and the ESCOMs, the Commission, by considering the substantial increase involved in operations of generation, transmission and distribution activities has endeavoured to give effect to a moderate increase in the recovery of fixed cost. As per approved ARR for FY24 of ESCOMs, the share of fixed and variable cost is as under:

Total Approved ARR of ESCOMs :	Rs. 58,109.95 Crores
Less Variable cost of power purchase:	Rs. 26,963.74 Crores
Fixed cost to be incurred:	Rs. 31,146.21 Crores
Ratio of Variable cost & Fixed Cost:	46.40: 53.60

In the public hearing, some of the consumers' / stake holders have pointed out that, in respect of LT-1 (BJ/KJ) and LT-4(a) (IP sets 10 HP below) the fixed charges are not being charged and recovered, thereby, ESCOMs are showing under recovery of the fixed charges. In this regard the Commission would like to make it clear that in the CDT fixed by the Commission for LT-1 & LT-4(a) tariff categories the fixed charge component was not indicated separately even though the CDT determined is inclusive of the fixed charges. As such, in this tariff order, the Commission has endeavoured to consider the Fixed and Variable Cost Component separately in the CDT of the respective tariff schedules. Thus, ensuring the overall recovery of fixed charges by the ESCOMs to the extent of 63.14%.

After effecting appropriate increase in the Demand charges, in respect of the all the categories including LT-1(BJ/KJ) and LT-4(a) (IP sets 10 HP and below), the total fixed cost allowed to be recovered in tariff for FY24 would be Rs.22202.66 Crores as against total Fixed cost of Rs.31236.21 Crores. This accounts for recovery of 71.08% out of 53.60% against the earlier recovery level at 57-20%. The revised fixed charges in respect of various category-wise consumers is indicated in the revised tariff schedule.

4. Special Incentive scheme:

CESC and other ESCOMs in their filing have requested the Commission to discontinue the approved Special Incentive Scheme (SIS) for the reason that CESC has proposed to increase the demand charges for HT consumers by simultaneously reducing the energy charges, which are very competitive. It is further submitted that ESCOMs have also proposed ToD tariff for all HT Categories which is similar to Special Incentive Scheme for HT consumers and requested the Commission to discontinue special incentive scheme with effect from 1st April,2023.

Commission's Analysis and Decision:

The Commission notes that, during the Public hearing the consumer organisations have pleaded for continuation of Special Incentive Scheme, since it is helpful to the industries. Thereafter CESC and other ESCOMs have also concurred with views of the stakeholders. Considering the request of the consumers and concurrence of ESCOMs, the Commission has decided to continue the SIS on the existing terms and conditions. The scheme would remain in force until further orders.

5. Discounted Energy Rate Scheme:

CESC and other ESCOMs in their tariff applications have proposed to continue the Discounted Energy Rate Scheme (DERS) for further period.

Commission Analysis and Decisions:

The Commission notes the submission made by CESC in seeking extension of DERS scheme for a further period of two years. Keeping in view the surplus power situation in the State, and as requested by the ESCOMs, in order to encourage increase in sales to HT consumers, the Commission decides to continue the DERS as per the existing terms and conditions. **However, the Commission decides to fix the discounted rate for the scheme @ Rs.5/- per unit as against the rate of Rs 6.00 per unit until further orders. The reduced rate shall be effective from the first meter reading date on or after the date of this Tariff Order, until further orders.**

Further, regarding monthly base consumption, whenever the consumers get their contract demand reduced, there shall not be any reduction in base consumption. This will be effective from the first meter reading date on or after the date of this Tariff Order.

The Commission in order to encourage increase in sales, decides to extend the DERS Scheme to LT industries and LT Commercial consumers having sanctioned

load of 50 Kwh and above at a discounted rate of energy charges of Rs.5.00 per unit. This will be effective from the first meter reading date on or after the date of this Tariff Order, until further orders.

The average monthly base consumption for the existing LT-5 consumers and LT-3 consumers as on 01.04.2023 shall be computed by considering the energy supplied by CESC during the period from April, 2022 to March 2023 at the option of the consumer opting for the scheme.

In respect of new installation serviced on or after 01.04.2023, the monthly base consumption shall be at 57 Kwh per KW of sanctioned load. In case the eligible consumers who have increased their sanctioned load during the currency of the scheme on a permanent basis, the existing monthly average base consumption shall be increased to the extent of additional sanctioned load at the rate of 57 Kwh per KW of additional sanctioned load per month from the month in which the additional sanctioned load has come into effect.

All other terms and conditions of the DERS Scheme as approved by the Commission in its Tariff Order 2021 dated 9th June, 2021 shall remain in force.

6. Withdrawal of Solar Rebate:

CESC and other ESCOMs in their proposals have submitted that, GoK in the letter No. EN 396 NCE 2006 dated 13.11.2007, as a Demand Side Management measure has made installation of solar water heater is mandatory in all residential building with built up area of 600 Sq. feet and above constructed on sites measuring 1200 Sq. feet and above falling within the limits of Municipal / Corporations and Bangalore Development Authority.

Commission analyses and decisions:

The Commission notes the submission made by the ESCOMs for withdrawal of solar water heater rebate extended to the consumers. The Commission also notes that, many of the consumers in the public hearing suggested to withdraw the solar rebate extended in the Tariff Order as any rebate extended to any particular consumer is to be borne by other consumers in the tariff. The Commission note that, Government of Karnataka has made mandatory of the installation of solar water heater on the roof of the residential buildings on certain conditions. The use of Solar water heaters is advantageous to both the ESCOMs and the consumers. Now, with the availability of surplus power due to the Commissioning of RE power projects in the State as noted from the submission made by ESCOMs, the backing down of the thermal power stations to accommodate the power from the must run status RE power as per the prevailing Rules / Policy of the GoI/ MNRE is eminent. Thus, on account of this, the ESCOMs are liable to pay the capacity charges and has resulted in increase in the power purchase cost of the ESCOMs abnormally, which has to be borne by the consumers in the State through Retail Supply Tariff. Under these circumstances, extension of any further concession in the solar rebate has to be borne by the other consumers by increase in the tariff for which they are objecting.

The Commission by considering the financials of the ESCOMs and the plight of other consumers in the State decides to withdraw the existing rebate of 50 paise per unit, for use of solar water heaters under tariff schedule LT2(a).

7. Non-telescopic tariff for Domestic consumers and Rationalisation / Simplification of tariff categories:

CESC and other ESCOMs have proposed introduction of non-telescopic slabs in respect of LT Domestic consumers, for the reason that in the present telescopic slabs, ESCOMs are unable to recover full cost of supply. The approved tariff structure fetches lesser average rate from the domestic consumers as against the approved average cost of supply.

ESCOMs have proposed non-telescopic tariff with reduced energy charges and increase in fixed charges from 100 units onwards. ESCOMs have proposed consumption-wise segregation of its consumers in domestic category as a methodology of intra-slab cross subsidization. Increase in fixed charges have been proposed by proportionately reducing the Energy charges.

ESCOMs have also cited the non-telescopic tariff slabs in other States like Kerala, Maharashtra, Madhya Pradesh and Tamil Nadu to justify the proposal.

Commission's Analysis & Decision:

The Standing Committee on Energy in its 26th Report had observed that, over the years, the tariff structure across the States has become very complex and the consumer categories are unduly large in number. In view of this, the Standing Committee has recommended simplification and rationalisation of tariff structure which would make the process of tariff determination simpler and also bring more transparency and accountability.

Keeping in view the recommendation of the Standing Committee, the Commission has attempted to rationalise the Tariff structure to the extent possible, keeping in view the present tariff structure. The salient features of the tariff Rationalisation are as follows:

a. Merger of urban and rural categories into one category.
b. Introduction of non-telescopic tariff slabs in respect of all the LT categories except LT Industrial tariff.
c. Reduction of slabs in fixed and energy charges.

The Commission by considering the request of CESC and other ESCOMS and the recommendation of the Standing Committee with regard to the tariff structure, decides to rationalise and simplify the tariff categories and tariff in the present tariff order. By this exercise, the Commission is able to reduce the tariff to 21categories from the existing 28 categories.

8. Withdrawal of incentive extended to ECS consumers:

The Other ESCOMs in their applications have proposed to withdraw the incentive extended by the Commission in its earlier Tariff Orders to the consumers who are paying electricity bills through Electronic Clearing System (ECS) at 0.25% of the bill amount. ESCOMs have submitted that, considering the number of consumers availing this mode of payment with the sizable number of transactions and the amount collected through various other online payment modes offered without any incentive, the extension of incentive to ECS opted consumers, may be discontinued.

Commission analyses and decisions:

The Commission notes ESCOM's submissions in respect of the proposal for withdrawal of incentive extended to ECS consumers. In the earlier years, the consumers in general were provided with only ECS facility for payment of bills as approved by the RBI. At present there are various modes of online payment available to the consumers. The incentive on ECS payment was allowed in order to promote cash less transaction and realization of bill amount on the due date. Now, after digitization, the citizens/ consumers are offered with various modes of online payment. At present the volume of transactions under these modes of online payment is very high, for which no incentive is being allowed.

Thus, the Commission, by considering the request of BESCOM and keeping in view the availability of various other options for online payment to the consumers, decides to withdraw the incentive extended to ECS consumers. However, the consumers may continue to make payment through ECS.

9. Merging of Urban and Rural category under HT-2(a) HT-2(b) and HT-(c) along with slabs:

a. Merging of Urban and Rural category under LT -2(a), LT-2(b) Lt-3 , LT-5 with the extension of a rebate of 30 paise per unit in energy charges for consumers of village panchayats:

The Commission has taken note of the submissions made by the ESCOMs on the above issues. As made out in the earlier paras, in order to remove the complexity in billing of the installations and to simplify the tariff structure, the Commission has decided to rationalize and simplify the tariff structure.

Accordingly, the Commission decides to club Urban and Rural consumers tariff category under HT-2(a), HT-2(b), and HT-2(c) under HT category and LT-2(a), LT-2(b), LT-3 and LT-5 under LT tariff category. Further, consequent on merger of rural and urban tariff categories, there is likely to be slight increase in the electricity bills in respect of rural consumers. To soften the burden of increase in tariff of rural consumers, the Commission decides to extend a rebate 30 paise per unit to the consumers falling under village panchayats. In respect of LT5 consumers, the Commission decides to extend a rebate 30 paise per unit to the consumers falling under village panchayats and Town Municipal Council areas.

10. Merging of LT7(b) tariff schedule under LT-3:

LT-7(b) tariff activities such as Hoardings and 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 may be shifted / classified under LT-3 tariff category with an addition of energy charges of Rs.2.50 per unit plus the highest energy charges of LT-3 category as the activities are commercial in nature.

The Commission notes the submission made by CESC and other ESCOMs to shift LT-7(b) tariff schedule i.e. Hoardings and 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 basis to LT-3 category and fixed charges at the highest energy charges of LT-3 category plus Rs.2.50 paise per unit / 1.50 times of LT-3 Tariff category.

The Commission, in its earlier Tariff Order by considering the plight of the consumer and the nature of power supply arrangement, has decided to bill these consumers under LT-7(b) tariff schedule. The Commission in order to rationalise and reduce the present tariff structure as requested by ESCOMs, decides to club this tariff category with LT-3 tariff schedule by levying the additional Rs.2.00 per unit over the approved Energy charges along with fixed charges as approved by the Commission.

11. Gaushala activity to be included under LT-2(a) tariff schedule:

The Commission notes the submission made by the some of the ESCOMs to include Gaushala activity under Domestic LT-2 tariff schedule.

The Commission by considering the nature of activity carried out in Gaushala and as requested by the ESCOMs decided to include Gaushala activity under LT-2 domestic tariff schedule.

12. Animal husbandry activity to be included in LT-5 tariff:

The Commission notes the submission made by the some of the ESCOMs to include Animal Husbandry activity under LT-5 tariff schedule.

The Commission by considering the nature of activity carried out in Animal Husbandry and as requested by the ESCOMs decided to include Animal Husbandry Activities under LT-5 tariff schedule.

13. Re-classification of sanctioned load under LT-5 tariff schedule:

CESC other ESCOMs, in their applications have proposed to reclassify the existing sanctioned levy the fixed charges on the sanctioned load under 5 slabs into 3 slabs. The Commission to rationalise the tariff structure and to remove the complexity in billing, decides to reduce the existing 6 slabs of sanctioned load considered for levy of fixed charge into two slabs under LT-5 tariff schedule as under:

Existing Sanctioned Load	Approved Sanction Load
i. 5 HP and below ii. Above 5 HP and Below 40 HP iii. 40 HP & above but below 67 HP iv. 67 HP & above but below 100 HP v. 100 HP and Above	i. Below 100 HP ii. 100 HP and Above

14. Merging of HT-3 (a)(i), HT-3 (a)(ii) & HT-3 (a)(iii) into single tariff schedule HT-3(a) i.e. Lift Irrigation.

The Commission notes that, CESC in its application has proposed to merged HT 3(a) tariff schedule under HT-3(a)(ii) tariff schedule. The Commission notes that the other ESCOMs proposed to merge the HT-3 (a)(i), HT-3 (a)(ii) & HT-3 (a)(iii) tariff category into single tariff categories as HT-3(a).

The Commission by considering the purpose of usage of Lift irrigation and rationalisation of tariff structure as recommended by FoR and as requested by

ESCOMs decides to merge HT-3 (a)(i), HT-3 (a)(ii) & HT-3 (a)(iii) tariff category into single tariff category HT-3(a).

15. Classification of Data Centres under Industrial Category:

The Government of Karnataka vide its letter No. Energy/ 32 / PSR/ 2023 dated 4th February, 2023 has forwarded the requests of Department of Electronic Information Technology and Biotechnology& Science & Technology along with the Karnataka Data Centre Policy:2022-2027 with a request to classify the Data Centres under industrial tariff instead of treating them as commercial consumers.

Commission's Analysis & Decision:

The Commission notes that the data centres provided larger employment opportunities. They are also energy intensive units requiring bulk power. In order to encourage setting up of more data centres and to generate more employment opportunities in the State of Karnataka, the Commission decides to classify the data centres (both LT and HT under industrial tariff category subject to Production of necessary certificate issued by Department of Electronics, Information Technology & Biotechnology and Science & Technology.

16. Classification of Transformers repair centre under LT-5 tariff category:

CESC in its application has proposed to define transformer repair centres under LT-5 category as these centres are not classified in the existing tariff schedule.

The Commission notes the submission made by CESC. The Commission by considering the nature of activities carried in the transformer repair centres decides to classify these activities under LT-5 tariff schedule.

b. Inclusion of LT-2(b) and HT-2(c)(ii) tariff schedule under commercial tariff - LT-3 and HT2.

CESC in its application has submitted to includes LT2(b) and HT2(c) tariff schedule applicable to Hospitals and Educational Institution run by private aided or unaided institutions under Commercial Tariff schedule as they are having potential to pay cross subsidy.

The Commission notes the submission made by the some of the ESCOMs to include LT2(b) and HT2(c) tariff schedule applicable to Hospitals and Educational Institution run by private aided or unaided institutions under Commercial Tariff schedule.

In this regard, the Commission notes that, imparting Education to the children to achieve 100% literacy and providing medical assistants / treatment to all the citizens of the country is very essential as per the policy of the Government of India. Reclassifying these consumers under commercial category will add on to the cost of service and which will be a burden to the citizens. Thus, the Commission decides to continue the existing tariff schedule for the same.

6.5 Revenue at existing tariff and deficit for FY24:

The Commission, in the preceding Chapters, has decided to carry forward the revenue deficit of Rs.299.74 Crores of FY22 to the ARR of FY24. The net gap in revenue of Rs.500.67 Crores for FY24 is proposed to be recovered by revision of the Retail Supply Tariff, as discussed in the following paragraphs of this Chapter.

Considering the approved ARR for FY24 and the revenue as per the existing tariff, the resultant gap in revenue for FY24 is as follows:

Revenue Deficit for FY24

Amount in Rs. in Crores

Particulars	Amount
Approved Net ARR for FY24 including gap of FY22	6148.33
Revenue at existing tariff	5647.66
(-)Deficit/ Additional Revenue to be realised by Revision of Tariff	**(-)500.67**

Accordingly, the Commission now proceeds to determine the Retail Supply Tariff for FY24. The category-wise tariff, as existing, as proposed by CESC and as approved by the Commission are as follows:

6.6 Category-wise Existing, Proposed and Approved Tariffs:

1. LT-1 Bhagya Jyothi:

The details of the existing and proposed tariff under this category are given in the following Table:

LT-1: Applicable to BJ / KJ installations		
PARTICULARS	**As Existing**	**As Proposed**
Energy charges (including recovery towards service main charges)	811 paise / Unit subject to a monthly minimum of Rs.70	955 paise / Unit subject to a monthly minimum of Rs.100

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 20th March, 2017. Based on the present average cost of supply, the tariff payable by this BJ/KJ consumer is revised to Rs.8.59per unit.

Further, the ESCOMs shall 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 consumer is found to have more than one out- let, it shall be billed as per the Tariff Schedule LT 2(a).

Accordingly, the Commission Determines the tariff (CDT) in respect of BJ / KJ installations as follows:

LT-1: Applicable to BJ / KJ installations- for CESC Area	
PARTICULARS	**As Approved by The Commission**
Fixed Charges & Energy Charges:	
Commission Determined Tariff (CTD)	859 paise / Unit subject to a monthly minimum of Rs.100 **[CDT comprises of fixed charge component of Rs.5.08 and variable charge component of Rs.3.51 per unit]**
NOTE: **GOK is meeting the full cost of supply to BJ / KJ installations. However, if the GOK does not release the subsidy in advance, a Tariff of Rs.8.59 per unit subject to a monthly minimum of Rs.100 per installation per month, shall be demanded and collected from these consumers by CESC.**	

2. LT-2(a) - Domestic Consumers:

CESC's Proposal:

The details of the existing and proposed tariff under this category are given in the following Table:

Domestic Consumers Category- EXISTING TARIFF		
PARTICULARS	**LT-2(a)(i) Applicable to areas coming under City Municipal Corporations and all other Urban Local Bodies**	**LT-2(a)(ii) Applicable to Areas under Village Panchayats**
Fixed Charges / KW /Month:		
For the first KW	Rs.100/-	Rs.85/-
For every additional KW upto and inclusive of 50 KW	Rs.110/-	Rs.100/-
For every additional KW above 50 KW	Rs.175/-	Rs.160/-
Energy Charges per kWh:		
0 to 50 Units	410 paise	400 paise
51 to 100 Units	560 paise	530 paise
101 to 200 Units	715 paise	685 paise
For the balance Units	820 paise	770 paise

CESC has proposed non-telescopic energy slabs as follows.

Domestic Consumers Category- PROPOSED		
PARTICULARS	**LT-2(a)(i) Applicable to areas coming under City Municipal Corporations and all other Urban Local Bodies**	**LT-2(a)(ii) Applicable to Areas under Village Panchayats**
Fixed Charges / KW /Month:		
For the first KW	Rs.175/-	Rs.160/-
For every additional KW upto and inclusive of 50 KW	Rs.200/-	Rs.185/-
For every additional KW above 50 KW	Rs.265/-	Rs.250/-
Energy Charges per kWh:		
0 to 50 Units	415 paise	405 paise
0 to 100 Units **[If the total consumption exceeds 50 units and upto 100 units]**	555 paise	535 paise
0 to All Units **[If the total consumption exceeds 100 units]**	695 paise	600 paise

Commission's Decision:

The Commission decides to rationalize the existing tariff structure of domestic consumers, as detailed below:

(i) Merging LT-2(a)(i) & LT-2a(ii) categories
(ii) Reducing fixed charges slabs to two from the existing three slabs.
(iii) Introducing non-telescopic energy charges slabs.
(iv) Consequent to the merging of rural category under urban category, the Commission decides to extend a rebate 30 paise per unit to the consumers falling under village panchayat areas.
(v) As per the request of the ESCOMs, the Commission decides to classify "Gaushala" installations under tariff schedule LT-2(a).

LT-2(a): Domestic Consumers as Approved by the Commission	
PARTICULARS	**LT-2(a) [Applicable for all areas]**
Fixed Charges / KW /Month:	
Per KW Upto 50 KW	Rs.110/-
For every additional KW above 50 KW	Rs.210/-
Energy Charges per kWh:	
0 to 100 Units	475 paise
0 to All Units [if the total consumption exceeds 100 units]	700 paise

3. LT-2 (b): Applicable to the Private Professional and other private Educational Institutions including aided, unaided institutions, Nursing Homes and Private Hospitals having only lightning or combined lighting & hearting and motive power

CESC's Proposal:

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

LT-2(b): EXISTING TARIFF		
PARTICULARS	LT-2(b)(i) Applicable to areas coming under City Municipal Corporations and all other Urban Local Bodies	LT-2(b)(ii) Applicable to Areas under Village Panchayats
Fixed Charges / KW /Month:		
Per KW upto 50 KW Subject to a minimum per KW	Rs.120/- Rs.150/-	Rs.110/- Rs.135/-
For every additional KW above 50 KW	Rs.175/-	Rs.165/-
Energy Charges per kWh:		
0 to 200 Units	730 paise	675 paise
Above 200 Units	855 paise	800 paise

LT-2(b): AS PROPOSED		
PARTICULARS	LT-2(b)(i) Applicable to areas coming under City Municipal Corporations and all other Urban Local Bodies	LT-2(b)(ii) Applicable to Areas under Village Panchayats
Fixed Charges / KW /Month:		
Per KW upto 50 KW Subject to a minimum per KW	Rs.200/- Rs.280/-	Rs.195/- Rs.235/-
For every additional KW above 50 KW	Rs.300/-	Rs.255/-
Energy Charges per kWh:		
0 to 200 Units	735 paise	685 paise
For the balance Units	885 paise	835 paise

Commission's decision:

The Commission decides to rationalize the existing tariff structure of LT-2(b) category as detailed below:

(i) Merging LT-2(b)(i) & LT-2b(ii) categories

(ii) Rationalizing the fixed charges slabs.

(iii) Single slab for the energy charges.

(iv) Consequent to the merging of rural category under urban category, the Commission decides to extend a rebate 30 paise per unit to the consumers falling under village panchayat areas.

LT-2(b): Approved by the Commission	
PARTICULARS	**LT-2(b) Applicable for all areas**
Fixed Charges / KW / Month:	
Per KW Upto 50 KW	Rs.180/-
For every additional KW above 50 KW	Rs.250/-
Energy Charges per kWh:	
For entire consumption	775 paise

4. LT-3: Commercial Lighting, Heating& Motive Power:

CESC's Proposal:

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

LT-3: EXISTING TARIFF		
PARTICULARS	**LT-3(i) Applicable to areas coming under City Municipal Corporations and all other Urban Local Bodies**	**LT-3(ii) Applicable to Areas under Village Panchayats**
Fixed Charges / KW / Month:		
Per KW upto 50 KW	Rs.125/-	Rs.115/-
For every additional KW above 50 KW	Rs.230/-	Rs.220/-
Energy Charges per kWh:		
0 to 50 Units	840 paise	790 paise
For the balance Units	940 paise	890 paise

LT-3: Demand based Tariff (optional) where sanctioned load is above 5 KW but below 150 KW - EXISTING TARIFF		
PARTICULARS	**LT-3(i) Applicable to areas coming under City Municipal Corporations and all other Urban Local Bodies -**	**LT-3(ii) Applicable to Areas under Village Panchayats**
Fixed Charges per KW / Month of billing demand:		
Per KW upto 50 KW	Rs.140/-	Rs.130/-
For every additional KW above 50 KW	Rs.245/-	Rs.235/-
Energy Charges per kWh:		
0 to 50 Units	840 paise	790 paise
For the balance Units	940 paise	890 paise

LT-3: AS PROPOSED	
PARTICULARS	**LT-3 Applicable for all areas**
Fixed Charges / KW / Month:	
Per KW upto 50 KW	Rs.270/-
For every additional KW above 50 KW	Rs.325/-
Energy Charges per kWh:	
0 to 50 Units	840 paise
For the balance Units	950 paise

LT-3: Demand based Tariff (optional) where sanctioned load is above 5 KW but below 150 KW - AS PROPOSED	
PARTICULARS	**LT-3 Applicable for all areas**
Fixed Charges per KW / Month of billing demand:	
Per KW upto 50 KW	Rs.300/-
For every additional KW above 50 KW	Rs.350/-
Energy Charges per kWh:	
0 to 50 Units	840 paise
For the balance Units	950 paise

Commission's decision:

The Commission decides to rationalize the existing tariff structure of LT-3 category, as detailed below:

(i) Merging LT-3(i) & LT-3(ii) categories

(ii) Single slab for the energy charges.

(iii) **Shifting of the consumers under LT-7(b) category (Applicable to power supply to Hoardings & Advertisement boards on Permanent connection basis) into LT-3 category**.

(iv) Consequent to the merging of rural category under urban category, the Commission decides to extend a rebate 30 paise per unit to the consumers falling under village panchayat areas.

LT-3: As Approved by the Commission	
PARTICULARS	**LT-3 Applicable for all areas**
Fixed Charges / KW ? Month:	
Per KW Upto 50 KW	Rs.200/-
For every additional KW above 50 KW	Rs.300/-
Energy Charges per kWh:	
For entire consumption	850 paise

LT-3: Demand based Tariff (optional) where sanctioned load is above 5 KW but below 150 KW - As Approved by the Commission	
PARTICULARS	**LT-3 Applicable for all areas**
Fixed Charges per KW / Month of billing demand:	
Per KW Upto 50 KW	Rs.220/-
For every additional KW above 50 KW	Rs.320/-
Energy Charges per kWh:	
For entire consumption	850 paise

5. LT-4: Irrigation Pump Sets:

5.1: LT-4(a)- Applicable to IP sets up to and inclusive of 10 HP

CESC's Proposal:

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

LT-4(a): Applicable to IP sets up to and inclusive of 10 HP		
PARTICULARS	**As Existing**	**As Proposed**
Fixed Charges:	**NIL**	**NIL**
Energy Charges per kWh:		
Commission Determined Tariff (CTD)	640 paise	701 paise

Commission's Decision

The Government of Karnataka has extended free supply of power to farmers as per the 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 upto and inclusive of 10 HP shall borne by the GoK through tariff subsidy. In view of this, all the consumers under the existing LT-4(a) tariff are covered under fully subsidised 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:

LT-4(a): Approved CDT for IP Sets for FY24		
S.No.	**PARTICULARS**	**CESC**
1	Approved ARR (Rs.in Crores)	6148.33
2	Sales to BJ/KJ installations – MU	95.12
3	Sales to IP set installations – MU	3084.54
4	Sales to other than BJ/KJ & IP set installations in MU	3979.69
5	**Total Sales in MU (2 + 3 + 4)**	7159.35
6	Average Cost of supply in Rs. Per unit (1 / 5 *10)	8.59
7	Cost of supply – other than IP sets / BJ/KJ sales (4 * 6 / 10)	3418.55
8	Rev. from other than IP & BJ/KJ installations (Rs.in Crores)	3932.04
9	Cross subsidy from other than IP & BJ/KJ installations in Rs.Crores (8 - 7)	513.49
10	Cost of supply to BJ/KJ installations in Rs.Crores (2 * 6 /10)	81.71
11	Revenue from sales to BJ/KJ installations in Rs.Crores	81.71
12	Cost of supply to IP sets sales in Rs.Crores (3 * 6 /10)	2649.62
13	Revenue to be collected from IP set installations (12 - 9)	2136.13
14	Approved sales to IP set in MU	3084.54
15	**Commission determined tariff (CDT) for IP set category for FY24 in Rs. Per unit (13 / 14 * 10)**	6.92

Accordingly, the Commission decides to approve tariff of Rs.6.92 per unit as CDT for FY24 for IP Set category under LT4 (a). In case the GoK does not release the subsidy in advance, the tariff of Rs.6.92 per unit shall be demanded and collected from these consumers.

LT-4(a): Applicable to IP sets up to and inclusive of 10 HP- for CESC Area	
PARTICULARS	**As Approved by The Commission**
Energy Charges & Energy Charges:	
Commission Determined Tariff (CTD)	692 paise / Unit **[CDT comprises of fixed charge component of Rs.4.09 and variable charge component of Rs.2.83 per unit]**
NOTE: IN CASE THE GOK DOES NOT RELEASE THE SUBSIDY IN ADVANCE, IN THE MANNER SPECIFIED BY THE COMMISSION IN CLAUSE 6.1 OF THE KERC (MANNER OF PAYMENT OF SUBSIDY) REGULATIONS, 2008, CDT OF RS.6.92 PER UNIT SHALL BE DEMANDED FROM THESE CONSUMERS.	

The Commission has been issuing directives to ESCOMs for conducting Energy Audit at the Distribution Transformer Centre (DTC)/feeder level for proper assessment of distribution losses and to enable detection and prevention of commercial loss. In view of undertaking feeder segregation under NJY scheme, Deen Dayal Upadhyaya Gramma Jyothi Yojana, the ESCOMs including CESC

were also directed to submit IP set consumption on the basis of the meter readings of the 11 kV feeders at the sub-station 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 including CESC 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 have not fully complied with these directions and have initiated measures to achieve full compliance. The CESC need to ensure full compliance as this has direct impact on their revenues and tariff payable by other categories of consumers.

Government of Karnataka vide letter dated 29.03.2023 has informed the Commission that for FY24, Government have allocated an amount of Rs.13,143.00 Crores for providing free electricity supply to BJ/KJ consumers (consuming up to 40 Units) and IP sets consumers with a sanctioned load of 10 HP & below and requested the Commission to determine the tariff for these categories considering the same.

In this regard, it is explicitly made clear that the Commission is determining the tariff for various category of consumers duly considering the cross subsidy from other category of consumers. As such, while determining the tariff for BJ/KJ consumers (consuming up to 40 Units) and IP sets consumers with a sanctioned load of 10 HP and below, the Commission has to consider the level of cross subsidization from other consumer categories and also the increase in the various cost components. Resultantly, it is not possible for the Commission to determine the tariff for the above categories restricting to the amount of subsidy allocated by the Government. Further, as per Section 62 of the EA, 2003, the Commission is required to determine the tariff. Therefore, the request of the Government to limit the tariff of these categories to match the amount of allocated subsidy would be against the decision of the Government in the matter of providing free electricity supply to these categories vide its order 04.09.2008.

In the light of this, the Government shall fully meet the cost of such subsidized supply at the rate of Commission Determined Tariff in respect of for BJ/KJ consumers (consuming up to 40 Units) and IP sets consumers with a sanctioned

load of 10 HP & below. In case, the Government is not able to provide the subsidy to the extent of CDT approved by the Commission, then GoK shall direct the ESCOMs to regulate the power supply to the extent the subsidy provided.

5.2: LT-4(b)- Applicable to IP sets above 10 HP up to and inclusive of 10 HP.

CESC's Proposal:

LT-4(b): Applicable to IP sets above 10 HP up to and inclusive of 10 HP		
PARTICULARS	As Existing	As Proposed
Fixed Charges / HP /Month:		
Per HP	Rs.110/-	Rs.180/-
Energy Charges per kWh:		
For entire consumption	390 paise	420 paise

Commission's decision:

The Commission decides to revise the tariff for the category as below:

LT-4(b): Applicable to IP sets above 10 HP up to and inclusive of 10 HP	
PARTICULARS	As Approved by the Commission
Fixed Charges / HP / Month:	
Per HP	Rs.135/-
Energy Charges per kWh:	
For entire consumption	410 paise

5.3: LT-4(c)- Applicable to Pvt. Horticultural Nurseries, Coffee, Tea & Rubber plantations.

CESC's Proposal:

LT-4(c): Applicable to Private Horticultural Nurseries, Coffee, Tea & Rubber plantations		
PARTICULARS	As Existing	As Proposed
Fixed Charges / HP / Month:		
Per HP	Rs.100/-	Rs.200/-
Energy Charges per kWh:		
For entire consumption	390 paise	510 paise

Commission's decision:

The Commission decides to revise the tariff for the category as below:

LT-4(c): Applicable to Private Horticultural Nurseries, Coffee, Tea & Rubber plantations	
PARTICULARS	**As Approved by the Commission**
Fixed Charges / HP / Month:	
Per HP	Rs.135/-
Energy Charges per kWh:	
For entire consumption	425 paise

6. LT-5 : Industries:

CESC's Proposal:

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

LT-5: EXISTING TARIFF		
PARTICULARS	**LT-5(a) Applicable to arrears under City Municipal Corporation**	**LT-5(b) Applicable to all areas other than those covered under LT-5(a)**
Fixed Charges / HP / Month:		
For 5 HP & below	Rs.90/-	Rs.80/-
For above 5 HP & below 40 HP	Rs.100/-	Rs.95/-
For 40 HP & above but below 67 HP	Rs.125/-	Rs.120/-
For 67 HP & above but below 100 HP	Rs.190/-	Rs.175/-
For 100 HP and above	Rs.225/-	Rs.210/-
Energy Charges per kWh:		
0 to 500 Units	585 paise	575 paise
501 to 1000 Units	685 paise	670 paise
For the balance Units	715 paise	700 paise

LT-5: Demand Based Tariff (Optional) : EXISTING TARIFF		
PARTICULARS	**LT-5(a) Applicable to areas under City Municipal Corporation**	**LT-5(b) Applicable to all areas other than those covered under LT-5(a)**
Fixed Charges / KW / Month of billing demand:		
Above 5 HP & less than 40 HP	Rs.120/-	Rs.110/-
For 40 HP & above but below 67 HP	Rs.155/-	Rs.145/-
For 67 HP & above but below 100 HP	Rs.240/-	Rs.230/-
For 100 HP and above	Rs.255/-	Rs.245/-
Energy Charges per kWh:		
0 to 500 Units	585 paise	575 paise
501 to 1000 Units	685 paise	670 paise
For the balance Units	715 paise	700 paise

LT-5: ToD Tariff (at the option of consumers) – EXISTING		
Time of Day	**From July to November (monsoon period)**	**From December to June)**
06.00 Hrs to 10.00 Hrs	0	0
10.00 Hrs to 18.00 Hrs	0	0
18.00 Hrs to 22.00 hrs	0	(+)100 Paise
22.00 Hrs to 06.00 Hrs	0	(-)100 Paise

LT-5: PROPOSED TARIFF	
PARTICULARS	**LT-5(a) Applicable for all areas**
Fixed Charges / HP / Month:	
For below 40 HP	Rs.270/-
For 40 HP & above but below 67 HP	Rs.300/-
For 67 HP and above	Rs.320/-
Energy Charges per kWh:	
0 to 500 Units	595 paise
501 to 1000 Units	695 paise
For the balance Units	720 paise

LT-5: Demand Based Tariff (Optional) : PROPOSED TARIFF	
PARTICULARS	**LT-5(a) Applicable for all areas**
Fixed Charges / KW / Month of billing demand:	
For below 40 HP	Rs.300/-
For 40 HP & above but below 67 HP	Rs.350/-
For 67 HP and above	Rs.370/-
Energy Charges per kWh:	
0 to 500 Units	595 paise
501 to 1000 Units	695 paise
For the balance Units	720 paise

CESC has not proposed for modification to the existing ToD Tariff.

Commission's Decision:

The Commission decides to rationalize the existing tariff structure of LT-5 category, as detailed below:

(i) Merging LT-5(a) & LT-5(b) categories

(ii) Reducing the fixed charge slabs to two from the existing five.

(iii) Consequent to the merging of rural category under urban category, the Commission decides to extend a rebate 30 paise per unit to the consumers of village panchayat areas & Town Municipal Council Areas.

(iv) As per the request of the ESCOMs, the Commission decides to classify "Transformer Repair Centre" installations under tariff schedule LT-5.

(v) The Commission decides to include the "Data Centre" installations in the LT-5 tariff schedule.

LT-5: As Approved by the Commission	
PARTICULARS	**LT-5(a) Applicable for all areas**
Fixed Charges / HP / Month:	
Below 100 HP	Rs.140/-
100 HP and above	Rs.250/-
Energy Charges per kWh:	
0 to 500 Units	610 paise
Above 500 Units	710 paise

LT-5: Demand Based Tariff (Optional) : As Approved by the Commission	
PARTICULARS	**LT-5(a) Applicable for all areas**
Fixed Charges / KW / Month of billing demand:	
Below 100 HP	Rs.190/-
100 HP and above	Rs.300/-
Energy Charges per kWh:	
0 to 500 Units	610 paise / Unit
Above 500 Units	710 paise / Unit

LT-5: ToD Tariff (at the option of consumers) – As Approved by the Commission		
Time of Day	**From July to November (monsoon period)**	**From December to June)**
06.00 Hrs to 10.00 Hrs	0	0
10.00 Hrs to 18.00 Hrs	0	0
18.00 Hrs to 22.00 hrs	0	(+)100 Paise
22.00 Hrs to 06.00 Hrs	0	(-)100 Paise

Time of Day Tariff

In view of the discussions made in the earlier paras, the decision of the Commission, in its previous 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 existing optional ToD will continue for HT2(a), HT2(b) and HT2(c) consumers with contract demand of less than 500 KVA. Further, for LT5 and HT1 consumers, the existing optional ToD is continued. The ToD Tariff which the Commission has approved in respect of EV charging stations in the Depots of BMTC / KSRTC / NEKRTC / NWKRTC will continue to be in force, until further orders.

Accordingly, the Commission decides to continue the existing ToD Tariff structure without any modification.

Rebate to Micro & Small scale industries under LT-5 category:

In the Tariff Order 2022, the Commission has approved a Rebate of 50 paise per unit in Energy Charges to Micro & Small scale industries in order to mitigate the financial crisis faced due to present economic slowdown in the State on account of pandemic Covid-19. This Rebate was allowed for only 12 months.

In the public hearing conducted by the Commission relating to the tariff revision application of ESCOMs and also in the written submission, several consumer organizations have requested to continue the Rebate for sustenance of Micro & Small scale industries.

Considering the request, the Commission decides to continue the Rebate of 50 paise unit in Energy Charges to Micro & Small scale industries as certified by the Government of Karnataka for the consumers falling under Tariff Schedule LT-5, until further orders.

7. LT-6 (a) Water Supply Installations, (b) Public Lighting (c) Electric Vehicle Charging Stations/ Battery Swapping Stations:

CESC's Proposal:

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

LT-6(a): Applicable to Water Supply Installations		
PARTICULARS	**As Existing**	**As Proposed**
Fixed Charges / HP / Month:		
For HP upto 67 HP	Rs.110/-	Rs.190/-
For every additional HP above 67 HP	Rs.215/-	Rs.295/-
Energy Charges per kWh:		
For entire consumption	500 paise	560 paise

LT-6(b): Public Lighting Installations		
PARTICULARS	**As Existing**	**As Proposed**
Fixed Charges / KW / Month:		
Per KW	Rs.125/-	Rs.205/-
Energy Charges per kWh:		
For entire consumption	665 paise	700 paise
Energy charges for LED / Induction Lighting	560 paise	595 paise

LT-6(c): Electric Vehicle Charging Stations/ Battery Swapping Stations (for Both LT & HT)		
PARTICULARS	**As Existing**	**As Proposed**
Fixed Charges / KW / Month:		
For KW upto 50 KW	Rs.70/-	Rs.170/-
For every additional KW above 50 KW	Rs.170-	Rs.240/-
For HT (per KVA / Month of billing demand)	Rs.200/-	Rs.270/-
Energy Charges per kWh:		
For entire consumption	500 paise	550 paise

LT-6(c): ToD Tariff for the EV charging stations in the Depots of BMTC / KSRTC / NEKRTC / NWKRTC who have availed HT power supply for charging the Electric Motor Vehicles– EXISTING		
Time of Day	**From July to November (monsoon period)**	**From December to June)**
06.00 Hrs to 10.00 Hrs	0	0
10.00 Hrs to 18.00 Hrs	0	0
18.00 Hrs to 22.00 hrs	0	(+)100 Paise
22.00 Hrs to 06.00 Hrs	0	(-)100 Paise

Commission's decision:

The Commission decides to revise the tariff for the category as below:

LT-6(a): Applicable to Water Supply Installations (Applicable to all areas)	
PARTICULARS	**As Approved by the Commission**
Fixed Charges / HP / Month:	
Upto and inclusive of 67 HP	Rs.175/-
For every additional HP above 67 HP	Rs.275/-
Energy Charges per kWh:	
For entire consumption	550 paise

LT-6(b): Public Lighting Installations (Applicable to all areas)	
PARTICULARS	**As Approved by the Commission**
Fixed Charges / KW / Month:	
Per KW	Rs.175/-
Energy Charges per kWh:	
For entire consumption	700 paise
Energy Charges for LED/Induction Lighting	600 paise

LT-6(c): Electric Vehicle Charging Stations/ Battery Swapping Stations (for Both LT & HT) (Applicable to all areas)	
PARTICULARS	**As Approved by the Commission**
Fixed Charges / KW / Month:	
Upto and inclusive of 50 KW	Rs.70/-
For every additional KW above 50 KW	Rs.170-
For HT (per KVA / Month of billing demand)	Rs.200/-
Energy Charges per kWh:	
For entire consumption	450 paise

In view of the discussions made in the earlier paras, the Commission decides to continue the existing ToD Tariff approved in respect of HT EV charging stations in the Depots of BMTC / KSRTC / NEKRTC / NWKRTC will continue to be in force until further orders, as follows:

LT-6(c): ToD Tariff for the EV charging stations in the Depots of BMTC / KSRTC / NEKRTC / NWKRTC who have availed HT power supply for charging the Electric Motor Vehicles– As Approved by the Commission.		
Time of Day	**From July to November (monsoon period)**	**From December to June)**
06.00 Hrs to 10.00 Hrs	0	0
10.00 Hrs to 18.00 Hrs	0	0
18.00 Hrs to 22.00 hrs	0	(+)100 Paise
22.00 Hrs to 06.00 Hrs	0	(-)100 Paise

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

CESC's Proposal:

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

LT-7(a): Temporary Power Supply for all purposes		
PARTICULARS	**As Existing**	**As Proposed**
Less than 67 HP only	Energy charge at 1120 paise per unit subject to a weekly minimum of Rs.275 per KW of the sanctioned load.	Energy charge at 1190 paise per unit subject to a weekly minimum of Rs.345 per KW of the sanctioned load.

LT-7(b): Applicable to power supply to Hoardings & Advertisement boards on Permanent connection basis		
PARTICULARS	**As Existing**	**As Proposed**
Fixed Charges / KW / Month:		**To merge this category with LT-3**
Less than 67 HP only	Rs.150/-	
Energy Charges per kWh:		
For entire consumption	1120 paise	

Commission's decision:

The Commission decides to reclassify the consumers falling under LT-7(b) category under LT-3 tariff category as tariff schedule LT-3(b). The existing LT commercial consumers shall be classified as LT-3(a). Thus, tariff schedule LT-3(b) shall appear below LT-3(a) schedule, as below;

LT-3(b): Applicable to power supply to Hoardings & Advertisement boards on Permanent connection basis	
PARTICULARS	**As Approved by the Commission**
Fixed Charges / KW / Month:	
Less than 67 HP only	Rs.200/-
Energy Charges per kWh:	
For entire consumption	1050 paise

Further, by renaming LT-7(a) category as LT-7, the Commission has approved the revised tariff for the category as indicated below.

The temporary installations with sanctioned load / contract demand above 67 HP will continue under HT-5.

The Commission has also decided that the billing of LT-7 installations shall be on monthly basis, similar to other category of consumers, however, subject to the provisions of the Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka (CoS) (Eleventh Amendment), 2023.

LT-7: Temporary Power Supply for all purposes (Applicable to all areas)	
PARTICULARS	**As Approved by the Commission**
Fixed Charges / HP / Month:	
Less than 67 HP	Rs.200/-
Energy Charges per kWh:	
For entire consumption	1150 paise

<u>HT Categories - Time of Day Tariff</u>

In view of the discussions made in the earlier paras, 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 existing optional ToD will continue for HT2(a), HT2(b) and HT2(c) consumers with contract demand of less than 500 KVA. Further, for LT5 and HT1 consumers, the existing optional ToD is continued. The ToD Tariff which the Commission has approved in respect of EV charging stations in the Depots of BMTC / KSRTC / NEKRTC / NWKRTC will continue to be in force until further orders.

9. HT-1- Water Supply & Sewerage

CESC's Proposal:

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

HT-1: Water Supply and Sewerage Installations		
PARTICULARS	**As Existing**	**As Proposed**
Demand Charges / KVA / Month of billing demand:		
Per KVA	Rs.250/-	Rs.595/-
Energy Charges per kWh:		
For entire consumption	560 paise	570 paise

CESC has not proposed for modification to the existing ToD Tariff.

Commission's decision:

The Commission decides to revise the tariff for the category as below:

HT-1: Water Supply and Sewerage Installations (Applicable to all areas)	
PARTICULARS	**As Approved by the Commission**
Demand Charges / KVA / Month of billing demand:	
Per KVA	Rs.350/-
Energy Charges per kWh:	
For entire consumption	600 paise

10. HT-2(a) – HT Industries

CESC's Proposal:

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

HT-2(a): Industries (Applicable for all areas)		
PARTICULARS	**As Existing**	**As Proposed**
Demand Charges / KVA / Month of billing demand:		
Per KVA	Rs.265/-	Rs.655/-
Energy Charges per kWh:		
For the first 1 lakh units For the balance units	735 paise 760 paise	620 paise (for all units)

HT-2(a): Railway Traction (Applicable for all areas)		
PARTICULARS	**As Existing**	**As Proposed**
Demand Charges / KVA / Month of billing demand:		
Per KVA	Rs.275/-	Rs.600/-
Energy Charges per kWh:		
For entire consumption	660 paise	660 paise

HT-2(a): Effluent Treatment Plants independently serviced outside the premises of any installation under HT2(a)		
PARTICULARS	**As Existing**	**As Proposed**
Demand Charges / KVA / Month of billing demand:		
Per KVA	Rs.275/-	Rs.655/-
Energy Charges per kWh:		
For entire consumption	700 paise	700 paise

CESC has not proposed for modification to the existing ToD Tariff.

Commission's Decision:

The Commission decides to introduce a single slab by removing the existing two slabs in the energy charges.

The Commission decides to include the "Data Centre" installations in the HT-2(a) tariff schedule.

HT-2(a): Industries (Applicable for all areas)	
PARTICULARS	**As Approved by the Commission**
Fixed Charges / month / KVA of Billing Demand:	
Per KVA	Rs.350/-
Energy Charges per kWh:	
For entire consumption	740 paise

HT-2a: Railway Traction	
PARTICULARS	**As Approved by the Commission**
Fixed Charges / month / KVA of Billing Demand:	
Per KVA	Rs.350/-
Energy Charges per kWh:	
For entire consumption	700 paise
Note: (i) ToD Tariff is not applicable to Railway Traction installations. (ii) The Commission, by considering the concessional tariff extended to the Railway traction, decides that Special Incentive Scheme and ToD tariff shall not be extended to the Railway traction installations. However, they are eligible to avail the new "Discounted Energy Rate Scheme".	

HT2(a): Effluent Treatment Plants independently serviced outside the premises of any installation	
PARTICULARS	**As Approved by the Commission**
Fixed Charges / month / KVA of Billing Demand:	
Per KVA	Rs.350/-
Energy Charges per kWh:	
For entire consumption	700 paise
NOTE: ToD tariff is applicable to these installations, if the Special Incentive Scheme is not opted.	

11. HT-2 (b) HT Commercial

CESC's Proposal:

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

HT-2(b): Commercial (Applicable for all areas)		
PARTICULARS	**As Existing**	**As Proposed**
Demand Charges / KVA / Month of billing demand:		
Per KVA	Rs.290/-	Rs.670/-
Energy Charges per kWh:		
For the first 2 lakh units For the balance units	905 paise 915 paise	715 paise (for all units)

CESC has not proposed for modification to the existing ToD Tariff.

Commission's Decision:

The Commission decides to introduce a single slab by removing the existing two slabs in the energy charges.

The Commission as in pre paras decides to include the "Data Centre" installations in the HT-2(a) tariff schedule.

HT-2(b): Commercial (Applicable for all areas)	
PARTICULARS	**Tariff approved by the Commission**
Fixed Charges / month / KVA of Billing Demand:	
Per KVA	Rs.375/-
Energy Charges per kWh:	
For entire consumption	925 paise

12. <u>HT – 2 (c) – Applicable to Hospitals and Educational Institutions:</u>

12.1: 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 Educational Institutions and Hostels of all Educational Institutions:

12.2: HT-2(c)(ii) Applicable to Hospitals and Educational Institutions other than those covered under HT2(c) (i)

CESC's Proposal:

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

HT-2(c)(i) (for all areas)		
PARTICULARS	**As Existing**	**As Proposed**
Demand Charges / KVA / Month of billing demand:		
Per KVA	Rs.260/-	Rs.610/-
Energy Charges per kWh:		
For the first 1 lakh units For the balance units	720 paise 760 paise	670 paise (for all units)

HT-2(c)(ii) (for all areas)		
PARTICULARS	**As Existing**	**As Proposed**
Demand Charges / KVA / Month of billing demand:		
Per KVA	Rs.265/-	Rs.660/-
Energy Charges per kWh:		
For the first 1 lakh units For the balance units	820 paise 860 paise	790 paise (for all units)

CESC has not proposed for modification to the existing ToD Tariff.

Commission's Decision:

The Commission decides to introduce a single slab by removing the existing two slabs in the energy charges:

HT-2(c)(i) (Applicable for all areas)	
PARTICULARS	**Tariff approved by the Commission**
Fixed Charges / month / KVA of Billing Demand:	
Per KVA	Rs.300/-
Energy Charges per kWh:	
For entire consumption	750 paise

HT-2(c)(ii) (Applicable for all areas)	
PARTICULARS	**Tariff approved by the Commission**
Fixed Charges / month / KVA of Billing Demand:	
Per KVA	Rs.350/-
Energy Charges per kWh:	
For entire consumption	850 paise

Applicable to HT-1 (optional), HT-2(a), HT-2(b), HT-2(c)(i) & HT-2(c)(ii) categories ToD Tariff As approved by the Commission		
Time of Day	**From July to November (monsoon period)**	**From December to June)**
06.00 Hrs to 10.00 Hrs	0	0
10.00 Hrs to 18.00 Hrs	0	0
18.00 Hrs to 22.00 hrs	0	(+)100 Paise
22.00 Hrs to 06.00 Hrs	0	(-)100 Paise

13. HT-3(a) Lift Irrigation Schemes:

CESC's Proposal:

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

HT-3(a)(i): Applicable to LI Schemes under Government Departments / Government owned Corporations
As Existing
Energy charge at 315 paise per unit subject to annual minimum of Rs.1900/- per HP the sanctioned load.

HT-3(a)(ii): Applicable to all LI Schemes and Lift Irrigation Societies: fed through Express / Urban feeders	
PARTICULARS	**As Existing**
Fixed Charges / HP / Month:	
Per HP	Rs.110/-
Energy Charges per kWh:	
For entire consumption	315 paise

HT-3(a)(iii): Applicable to private LI schemes and Lift Irrigation Societies other than those covered under HT-3(a)(ii) above	
PARTICULARS	**As Existing**
Fixed Charges / HP / Month:	
Per HP	Rs.90/-
Energy Charges per kWh:	
For entire consumption	315 paise

CESC has proposed for merger of HT-3(a)(i), HT-3(a)(ii) and HT-3(a)(iii) consumer categories under one common category i.e., HT-3(a).

HT-3(a)(i): Applicable to LI Schemes under Government Departments / Government owned Corporations
As Proposed
Energy charge at 375 paise per unit subject to annual minimum of Rs.3100/- per HP the sanctioned load.

Proposed to merge HT-3(a(ii) & HT-3(a)(iii): Lift Irrigation Schemes & Societies	
PARTICULARS	**As Proposed**
Fixed Charges / HP / Month:	
Per HP	Rs.425/-
Energy Charges per kWh:	
For entire consumption	365 paise

HT-3(b): Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Coconut & Arecanut Plantations	
As Existing	**As Proposed**
Energy charge at 515 paise per unit subject to annual minimum of Rs.1960/- per HP the sanctioned load.	Energy charge at 530 paise per unit subject to annual minimum of Rs.3160/- per HP the sanctioned load.

Commission's Decision:

The Commission decides to merge HT-3(a)(i), HT-3(a)(ii) and HT-3(a)(iii) consumer categories under one common category i.e., HT-3: "Lift Irrigation" and to renumber the existing HT-3(b) category as HT-6 with revision of tariff, as detailed below.

HT-3: Lift Irrigation (Applicable for all areas)	
PARTICULARS	**Tariff approved by the Commission**
Fixed Charges / month / HP:	
Per HP	Rs.150/-
Energy Charges per kWh:	
For entire consumption	350 paise

HT-6: Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Coconut & Arecanut Plantations	
PARTICULARS	**Tariff approved by the Commission**
Fixed Charges / month / HP:	
Per HP	Rs.150/-
Energy Charges per kWh:	
For entire consumption	550 paise

14. HT4- RESIDENTIAL APARTMENTS/ COLONIES:

CESC's Proposal:

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

HT-4: Residential Apartments/ Colonies (Applicable for all areas)		
PARTICULARS	**As Existing**	**As Proposed**
Demand Charges / KVA / Month of billing demand:		
Per KVA	Rs.175/-	Rs.515/-
Energy Charges per kWh:		
For entire consumption	705 paise	710 paise

Commission's Decision:

The Commission decides to revise the fixed and energy charges for the categories, as below.

HT-4: Residential Apartments/ Colonies (Applicable for all areas)	
PARTICULARS	**Tariff approved by the Commission**
Fixed Charges / month / KVA of Billing Demand:	
Per KVA	Rs.300/-
Energy Charges per kWh:	
For entire consumption	725 paise

15. HT-5: Temporary Power Supply

CESC's Proposal:

HT-5: Temporary Power Supply (Applicable for all areas)		
PARTICULARS	**As Existing**	**As Proposed**
Fixed Charges / month / HP:		
For entire sanctioned load	Rs.325/-	Rs.665/-
Energy Charges per kWh:		
For entire consumption	1120 paise	1200 paise

The Commission decides to revise the fixed and energy charges for the categories, as below.

HT-5: Temporary Power Supply (Applicable for all areas)	
PARTICULARS	**Tariff approved by the Commission**
Fixed Charges / month / HP:	
For entire sanctioned load	Rs.400/-
Energy Charges per kWh:	
For entire consumption	1150 paise

The Approved Tariff schedule for FY24 is enclosed in **Annexure– V** of this Order. **All other existing provisions / procedures / terms & conditions, which are not amended in this Order, will continue to be in force until further orders.**

6.7 Wheeling and Banking Charges:

CESC has proposed wheeling charges of 53.74 paise/unit and 125.39 paise/unit respectively for HT network and LT network and the applicable losses at HT & LT for wheeling purposes as 1.82% & 7.25% respectively.

Regarding the Orders of the Commission revising the wheeling charges & banking facility, CESC has stated that the same has been set aside by Hon'ble High Court & Hon'ble ATE respectively and that the ESCOMs have challenged the same before High Court & Supreme court respectively. CESC has also referred to the Prayas report in the submissions.

Regarding wheeling charges and Banking facility, CESC has submitted the following:

a. Impose minimum percentage of consumption to be consumed by OA consumers from ESCOMs.
b. Quantum of generation by CPP's should be based on the requirements rather than generation based on market rates and additional generation above its usage may be allowed to be wheeled to non-captive consumers.
c. CESC proposes to implement the proposed KERC (terms and conditions for GEOA) Regulations, 2022 to the existing RE Generators under open access.

As far as wheeling charges and banking facility for RE sources is concerned, the Commission notes that the 2018 order in the matter of banking is pending before the Hon'ble Supreme court of India and the 2018 order on wheeling charges is pending before the Hon'ble High Court of Karnataka.

The Commission in the meanwhile had issued a discussion paper on wheeling charges and banking facility and considering the stakeholder's comments directed KPTCL/ ESCOMs to conduct a study in the matter. The study on Wheeling charges & Banking facility entrusted to Prayas, Pune by PCKL is completed and a public hearing on the above report was held by the Commission on 08.09.2022. The Commission would take appropriate action in the matter.

Further, the Central Government has notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022, which has become effective from 06.06.2022 and as envisaged under Rule-5, this Commission has notified the GEOA Regulations, which has come into effect from 19.01.2023. Regulation 11(1) of GEOA regulations specify that OA charges will be determined by the Commission considering the methodology specified by FoR under GEOA Rules. The FoR has finalised the methodology. In order to adopt the above methodology, certain amendments to MYT Regulations is necessitated and also it would take some time for the ESCOMs to collect the data necessary to compute various charges as per the FoR methodology. In the circumstances, the Commission has decided to continue the Transmission/Wheeling charges as per the methodology adopted in earlier orders, which shall be applicable to RE sources coming under GEOA Regulations also. In this regard the Commission vide letter dated 06.04.2023, regarding the OA charges under GEOA has communicated as follows:

> *'. . . Regulation 11(i) of KERC (Terms and Conditions for GEOA) Regulations, 2022 specify that the Open Access Charges shall be determined by the Commission considering the methodology specified by FoR. However, till the time the Commission adopts and determines the charges in accordance with the methodology specified by FoR, the KPTCL / SLDC / ESCOMs are directed to collect the following:*
>
> *i. The Transmission charges, wheeling charges, additional surcharge and Cross-subsidy surcharge in full, as determined by the Commission in its Tariff Orders issued from time to time.*
> *Note: Additional surcharge shall not be applicable, if full fixed charges of the licensee are being recovered through retail supply tariff and such full fixed charges are paid by the Open Access consumers.*
>
> *ii. Standby charges as per the Rules specified by the MoP;*
>
> *iii. Banking charges as specified by FoR (8% of banked energy);*
>
> *iv. Any other charges as determined by the Commission from time to time;*
>
> *Other applicable charges are listed below:*
>
> *a. Additional surcharge as determined by the Commission in its Tariff Order issued from time to time.*
>
> *b. Monthly transaction charges of Rs. 3000 (Rupees Three Thousand only) for maintaining the transaction details,*
>
> *c. Meter reading charges of Rs. 1000 (Rupees One Thousand only) per month, in case AMR meters having remote meter reading facilities are not functional,*
>
> *d. Load despatch Centre fees and charges as determined by the Commission from time to time,*

e. *Scheduling and system operation charges as determined by the Commission from time to time,*
f. *Applicable Parallel operation charges as determined by the Commission from time to time,*
g. *Reactive power charges as determined by the Commission from time to time,*
h. *Deviation settlement charges as specified under the Regulations as amended from time to time,*
i. *Other charges as specified under the various KERC Regulations, if any.'*

Regarding imposition of minimum percentage of consumption from ESCOMs, the same cannot be imposed as consumer have choice to procure power from any source under open access.

Regarding the selling of excess energy beyond self-consumption by CPPs, the same is allowed under the provisions of open access envisaged in the Electricity Act, 2003.

Regarding the proposal of CESC to impose GEOA Regulations to the existing RE generators, the Commission is of the view that the Regulations are generally prospective in nature and cannot be imposed on concluded contracts.

The approach of the Commission regarding wheeling & banking charges is discussed in the following paragraphs:

The Commission has considered the approved ARR pertaining to distribution wires business and has proceeded determining the wheeling charges as detailed in the following paragraphs:

6.7.1 Wheeling within CESC 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 indicated in the following Table:

Wheeling Charges

Distribution ARR-Rs. Crs	1005.00
Sales-MU	7159.35
Wheeling charges- paise/unit	140.38
	Paise/unit
HT-network	42.11
LT-network	98.26

In addition to the above, the following technical losses are applicable:

Loss allocation	% loss
HT	1.81
LT	7.08

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

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

paise/unit

Injection point → / Drawal point ↓	**HT**	**LT**
HT	42(1.81)	140(8.89)
LT	140(8.89)	98(7.08)

Note: Figures in brackets are applicable loss

The wheeling charges as determined above are applicable to all the open access / wheeling transactions for using the CESC network only.

6.7.2 Wheeling of Energy using Transmission Network or Network of more than One Licensee

6.7.3 In case the wheeling of 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 including losses 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, in addition to transmission losses. Wheeling Charges of the ESCOM where the power is drawn shall be shared equally among the ESCOMs whose networks are used.

Illustration 1:

If a transaction involves transmission network & CESC's network and 100 units is injected, then at the drawal point the consumer is entitled for 88.60 units, after accounting for Transmission loss of 2.764% & CESC's technical loss of 8.89%.

The Transmission charge in cash as determined in the Transmission Tariff Order shall be payable to KPTCL & Wheeling Charge of 140 paise per unit shall be payable to CESC. In case more than one ESCOM is involved, the above 140 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 2:

If a transaction involves injection to BESCOM's network & drawal at CESC's network, and 100 units is injected, then at the drawal point the consumer is entitled for 91.11units, after accounting CESC's technical loss of 8.89%.

The Wheeling charge of 140 paise per unit applicable to CESC shall be equally shared between CESC & BESCOM.

As the actual normal network charges depend upon the point of injection and point of drawal, the following broad guidelines may be followed by the licensees, while working out the charges:

Injection point → Drawal point ↓	KPTCL Network	BESCOM Network	MESCOM Network	CESC Network	HESCOM Network	GESCOM Network
KPTCL Network	Transmission charges & Losses as per KPTCL's Order	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling

Injection point → / Drawal point ↓	KPTCL Network	BESCOM Network	MESCOM Network	CESC Network	HESCOM Network	GESCOM Network
		& Technical losses as per illustration-1 of Tariff Order for the ESCOM where power is drawn	charges & Technical losses as per illustration-1 of Tariff Order for the ESCOM where power is drawn	charges & Technical losses as per illustration-1 of Tariff Order for the ESCOM where power is drawn	charges & Technical losses as per illustration-1 of Tariff Order for the ESCOM where power is drawn	charges & Technical losses as per illustration-1 of Tariff Order for the ESCOM where power is drawn
BESCOM Network	Transmission charges & Losses as per KPTCL's Order and BESCOM's wheeling charges & Technical losses as per illustration-1 of BESCOM's Tariff Order	BESCOM's network charges and technical losses as per BESCOM's tariff order under the heading 'wheeling within BESCOM area' which again depends on point of injection or drawal	BESCOM's network charges and technical losses as per illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per illustration-2 of BESCOM's tariff order
MESCOM Network	Transmission charges & Losses as per KPTCL's Order and MESCOM's wheeling charges & Technical losses as per illustration-1 of MESCOM's Tariff Order	MESCOM's network charges and technical losses as per illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per MESCOM's tariff order under the heading 'wheeling within MESCOM area' which again depends on point of injection or drawal	MESCOM's network charges and technical losses as per illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per illustration-2 of MESCOM's tariff order
CESC Network	Transmission charges & Losses as per KPTCL's Order and CESC's wheeling charges & Technical losses as per illustration-1 of CESC's Tariff Order	CESC's network charges and technical losses as per illustration-2 of CESC's tariff order	CESC's network charges and technical losses as per illustration-2 of CESC's tariff order	CESC's network charges and technical losses as per CESC's tariff order under the heading 'wheeling within CESC area' which again depends on point of injection or drawal	CESC's network charges and technical losses as per illustration-2 of CESC's tariff order	CESC's network charges and technical losses as per illustration-2 of CESC's tariff order
HESCOM Network	Transmission charges & Losses as per KPTCL's Order and HESCOM's wheeling charges & Technical losses as per illustration-1 of HESCOM's Tariff Order	HESCOM's network charges and technical losses as per illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per HESCOM's tariff order under the heading 'wheeling within HESCOM area' which again depends on point of injection or drawal	HESCOM's network charges and technical losses as per illustration-2 of HESCOM's tariff order
GESCOM Network	Transmission charges & Losses as per KPTCL's Order and GESCOM's wheeling charges & Technical losses as per illustration-1 of GESCOM's Tariff Order	GESCOM's network charges and technical losses as per illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per GESCOM's tariff order under the heading 'wheeling within GESCOM area' which again depends on point of injection or drawal

6.7.4 Charges for Wheeling of Energy by RE Sources (Non-REC & REC Route) to the Consumers in the State

The charges shall be as specified under GEOA Regulations for projects coming under the purview of GEOA Regulations. For other projects the charges for wheeling shall be as per the orders issued by the Commission from time to time.

6.7.5 Charges for Wheeling Energy by RE Sources, Wheeling Energy from the State to the Consumers/Others outside the State

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 6.7.1 and 6.7.3 of this Order shall be applicable.

6.7.6 Banking Charges for RE sources:

The charges shall be as specified under GEOA Regulations for projects coming under the purview of GEOA Regulations. For other projects Banking Charges as determined in the separate Orders issued by the Commission from time to time, shall be applicable.

6.8 Cross Subsidy Surcharge [CSS]:

CESC has stated that it has worked out the CSS as per the formula specified in Tariff Policy, 2016 and has proposed the following CSS:

Paise/unit

Voltage level	HT-1	HT-2a	HT-2b	HT- 2c (i)	HT- 2c (ii)	HT- 3-a	HT-3B	HT-4	HT-5
66kV & above	57.28	167.33	218.09	193.99	216.07	-	144.00	202.80	327.134
HT-11kV &33 kV	-	63.77	218.09	193.99	216.07	-	-52.90	202.80	327.34

Commission's Observations:

If CSS is negative, it shall be made zero. CESC shall also furnish working details for arriving at cost of supply at 66kv & above and HT level.

CESC Reply:

CESC in its reply has furnished the following:

The Cross Subsidy Surcharge calculated as per Tariff Policy 2016 duly incorporating Hon'ble Commissions observation is as given below;

Paise/unit

Voltage level	HT-1	HT-2a	HT-2b	HT- 2c (i)	HT- 2c (ii)	HT- 3-a	HT-3B	HT-4	HT-5
66kV & above	57.28	167.33	218.09	193.99	216.07	0.00	144.00	202.80	327.134
HT-11kV &33 kV	0.00	63.77	218.09	193.99	216.07	0.00	0.00	202.80	327.34

The cost of supply for FY-24 is worked out as 574 paise per unit for 66 kV & above and 773 paise per unit for HT level. The working detail for arriving at cost of supply at 66kV & above and HT level is as follows;

a	Power Purchase Cost (Rs. in Crores)	3806.75
b	Transmission charges (Rs in Crores)	796.45
c	Cost of Distribution, Wire Business (Rs in Crores)	1284.02
d	Cost of Retail supply Business (Rs in Crores)	735.26
e	Total Cost (Rs in Crores)	6622.48
f	Sales at 66 kV level & above (in MU)	973.82
g	Loss at 66 kV level & above (in MU)	227.91
h	Energy usage at 66 kV level & above (in MU)	1201.73
i	Energy transferred at 66 kV level & above (in MU)	7043.95
j	Energy at IF point (in MU)	8017.77
k	Energy transferred at HT level (in MU)	6172.69
l	Energy at HT level (in MU)	6895.63
	Cost of supply for 66kV & above	
m	Power Purchase (in Rs per unit) **(a/j*10)**	4.75
n	Transmission charges (in Rs per unit) **(b/j*10)**	0.99
o	Total (in Rs per unit) **(m+n)**	**5.74**
	Cost of supply for HT level	
p	Power Purchase (in Rs per unit) **((a-(f*m/10)/l)*10)**	4.85
q	Transmission charges (in Rs per unit) **((b-(n*f)/10)/l*10)**	1.01
r	Distribution wire business charges (in Rs per unit) **(c/l*10)**	1.86
s	Total (in Rs per unit) **(p+q+r)**	**7.73**

While, the Commission notes the reply furnished by the CESC, the determination of cross subsidy surcharge by the Commission is discussed in the following paragraphs: -

The Commission in its Regulations has adopted the formula as per Tariff Policy, 2016, for computing the CSS which is as indicated below:

S=T-[C/(1-L/100) + D + R]

Where

S is the Surcharge

T is the tariff Payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets.

As there is no regulatory asset in FY24, the cost of carrying the regulatory asset is considered as zero.

Based on the methodology specified in its MYT and OA Regulations, and adopting the formula stated supra, the category wise cross subsidy surcharge will be as indicated in the following Table:

a. EHT & HT categories

Paise/unit

Tariff category	Category Tariff paise/unit 'T' (Avg. of ESCOMs)	State Average Cost of supply @ 66 kV and above level* paise/unit C/(1-L/100) +D+ R]	State Average Cost of supply at @ HT level** paise/unit C/(1-L/100)+D+ R]	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-paise/unit
1	2	3	4	5	6	7
				(2-3)	(2-4)	20% of (2)
HT-1 Water Supply	699	629.30	685.60	69.70	13.40	139.80
HT-2a Industries	1025	629.30	685.60	395.70	339.40	205.00
HT-2b Commercial	1399	629.30	685.60	769.70	713.40	279.80
HT-2 (C)(i)	930	629.30	685.60	300.70	244.40	186.00
HT-2 (C)(ii)	1146	629.30	685.60	516.70	460.40	229.20

Tariff category	Category Tariff paise/unit 'T' (Avg. of ESCOMs)	State Average Cost of supply @ 66 kV and above level* paise/unit C/(1-L/100) +D+ R]	State Average Cost of supply at @ HT level** paise/unit C/(1-L/100)+D+ R]	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- paise/unit
HT3 Lift Irrigation	544	629.30	685.60	-85.30	-141.60	108.80
HT6 Irrigation & Agricultural Farms	549	629.30	685.60	-80.30	-136.60	109.80
HT-4 Residential Apartments	953	629.30	685.60	323.70	267.40	190.60
HT5 Temporary	1657	629.30	685.60	1027.70	971.40	331.40

* **Includes weighted average power purchase costs of 526.51 paise/unit, transmission charges of 87.49 paise/unit and transmission losses of 2.82% including commercial losses at EHT.**

** **Includes weighted average power purchase costs of 526.51 Paise per unit, transmission charges of 87.49 Paise per unit and transmission losses of 2.82% including commercial losses at EHT, HT distribution network / wheeling charges of 37.52 Paise/unit and HT distribution losses of 3.35% including commercial losses at HT.**

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

b. LT Categories

Paise/unit

Tariff category	Category Tariff paise/unit 'T' (Avg. of ESCOMs)	State Average Cost of supply @ LT level* paise/unit C/(1-L/100)+D+ R]	Cross subsidy surcharge paise/unit @ LT level as per formula	20% of tariff payable by relevant category- paise/unit
1	2	3	4	5
LT-1 subsidised	892	815.59	76.41	178.40
LT-1 Non-subsidised	638	815.59	-177.59	127.60
LT2a Domestic	947	815.59	131.41	189.40
LT2b Pvt. Institutions	1100	815.59	284.41	220.00
LT3 Commercial	1199	815.59	383.41	239.80

Tariff category	Category Tariff paise/unit 'T' (Avg. of ESCOMs)	State Average Cost of supply @ LT level* paise/unit C/(1-L/100)+D+R]	Cross subsidy surcharge paise/unit @ LT level as per formula	20% of tariff payable by relevant category-paise/unit
LT-4a	647	815.59	-168.59	129.40
LT4b IP>10HP	899	815.59	83.41	179.80
LT4c Pvt. Nurseries	1054	815.59	238.41	210.80
LT5 Industrial	1137	815.59	321.41	227.40
LT6 Water Supply	748	815.59	-67.59	149.60
LT6 Public lighting	840	815.59	24.41	168.00
LT-6 EV charging	458	815.59	-357.59	91.60
LT7 Temporary Supply	2552	815.59	1736.41	510.40

* **Includes weighted average power purchase costs of 526.51 Paise per unit, transmission charges of 87.49 Paise per unit and transmission losses of 2.82% including commercial losses at EHT, HT distribution network / wheeling charges of 37.52 Paise/unit, HT distribution losses of 3.35% including commercial losses at HT and LT distribution network / wheeling charges of 87.54 Paise/unit, LT distribution losses of 7.04% including commercial losses at LT**

Note: The carrying cost of regulatory asset of transmission licensee 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 per the following table:

a. EHT & HT categories

Paise/unit

Particulars	66 kV & above	HT level-11 kV/33kV
HT-1 Water Supply	70	13
HT-2a	205	205
HT-2b Commercial	280	280
HT-2 (C)(i)	186	186
HT-2 (C)(ii)	229	229
HT3	0	0
HT6 Irrigation & Agricultural Farms	0	0
HT-4 Residential Apartments	191	191
HT5 Temporary	331	331

Note: wherever CSS is one paise or less, it is made zero

b. **LT categories**

Paise/unit

Particulars	LT level
LT1 SUBSIDISED	76
LT1 NON-SUBSIDISED	0
LT2a	131
LT2b	220
LT3	240
LT4a	0
LT4b	83
LT4c	211
LT5	227
LT-6 WS	0
LT-6SL	24
LT-6 EV charging	0
LT7	510

Note: wherever CSS is one paise or less, 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 BESCOM. 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. Further, the Commission directs the Licensees to carry forward the amount realized under Open Access/wheeling to the next ERC, as it is an additional income to the Licensees.

The detailed calculation sheet of CSS is enclosed as **Annexure-4.**

6.9 Additional Surcharge (ASC):

CESC has worked out Additional surcharge of Rs.1.66/unit and has requested the Commission to continue levy of ASC for OA consumers procuring power from power exchanges and RE generators.

As regards to additional surcharge, the Commission notes that, in Appeal No.260/2018 and 43/2021, the Hon'ble ATE in its order dated, 15.09.2022, as directed the Commission to bear in mind the submissions made by the

Appellants, as and when the Commission sets about to pass an order in the matter and also to keep in mind the guidance on the subject provided not only by the NTP but also the Regulations framed by the Commission, wherein the muster prescribed is "conclusive demonstration on existence of factors justifying such levy". The said order is available on the ATE's Website. **Keeping in view the observations of the Hon'ble ATE, CESC shall conclusively demonstrate and furnish the details of stranded costs involved to justify the claim of additional surcharge. In the absence of full details of the stranded costs to justify the Additional Surcharge, it would not be possible for the Commission to determine the Additional surcharge, so as to comply with the Orders of the Hon'ble ATE.**

The relevant extract of the orders of Hon'ble ATE is as follows:

7. *"It is the contention of the appellants that most basic data that is essential to be gathered examining whether or not there is any stranded capacity on account of the drawal of power by the open access customers from other sources comprises the information as to the extent to which the licensees were compelled to back down any long term power source during the time blocks when there was open access concession, the distribution licensees were constrained to procure power on short term basis, and the distribution licensee had to take resort to power cuts or regulate the power supply in the State this being indicative of insufficient availability of power to meet the actual demand.*

8. *In the submissions of the appellants, in order to examine and compute the claim of stranded capacity and computation of additional surcharge, information as to open access consumption, unscheduled capacity short term power purchase and power cuts imposed, if any, on time block basis is sine qua non. The submission is that since such exercise was not undertaken by the Commission, it cannot be said that the distribution licensees had conclusively demonstrated their case for approval of the rate proposed for determination of the additional surcharge."*

CESC's reply:

CESC has computed the additional surcharge as per the KERC Tariff Order 2019 dated: 30.05.2019. The additional surcharge proposed by CESC for FY-24 is Rs.1.66/unit. Karnataka being Renewable Energy Rich State, the concept of concession to RE sources in additional surcharge may be revised.

The Hon'ble Supreme Court has in the matter of SESA Sterlite vs OERC, reported in **(2014) 8 SCC 444** categorically held that Section 42(4) of the Electricity Act, 2003 permits the collection of additional surcharge from open access consumers of distribution licensees. In addition, Clause 8.5.4 of the National Tariff Policy, 2016 and Regulation 11 of the KERC (Terms and Conditions for Open Access) Regulations, 2004 also categorically permit the levy and collection of the same. Therefore, it is settled law that a distribution licensee can levy additional surcharge, if its existing power purchase commitments are stranded and it is incurring additional fixed charges due to consumers opting to buy power through open access.

The statements of open access and backed down energy for FY-22 is analyzed. It also considers the capacity charge paid for the relevant year. These elements considered are based on actuals and not based on any assumptions.

The following factual aspects demonstrates the fact that the State of Karnataka was in surplus scenario and in view of the open access volumes, back down instructions had to be issued, resulting in excess capacity charges being paid. Furnishing Thermal Station wise details, it is submitted that backed down energy is as indicated below:

Details of Backed down energy for FY-22		
Sl. No.	**Source**	**Surplus power backed down/ reserve shut down (in MU)**
1	UPCL	6287.21
2	RTPS 1 to 8	4849.63
3	BTPS 1 to 3	4048.83
4	CGS	8944.04
5	YTPS 1 to 2	1825.73
	Total	**25955.44**

The Open Access quantum and Capacity for April-21 to Mar-22 is as follows:

Sl. No	Month	Open Access (in MU)	Open Access Capacity (in MW)
1	Apr-21	25.03	34.76
2	May-21	28.59	38.43
3	Jun-21	32.53	45.18
4	Jul-21	23.16	31.13
5	Aug-21	15.98	21.48
6	Sep-21	15.94	22.13
7	Oct-21	1.25	1.68
8	Nov-21	13.84	19.22
9	Dec-21	15.01	20.17
10	Jan-22	13.75	18.48
11	Feb-22	12.01	17.87
12	Mar-22	5.34	7.18
Total		**202.43**	**23.14 (Average)**

Further, CESC has paid a sum of Rs.183.747 Crores towards fixed cost without taking power from thermal stations for the period April 2021 to March 2022.

Commission's views and decision:

The Commission keeping in view the orders of the Hon'ble ATE, vide its letter dated 19.01.2023 and 09.02.2023, had directed the PCKL to furnish month-wise consolidated data of standard capacity based on 15-minutes' time-block data and the open access capacity for the month along with the average month-wise fixed cost / MW. Accordingly, the PCKL submitted the data vide its letter dated 16.03.2023. The consolidated data furnished by PCKL is as follows:

Month	Capacity stranded MW	Open Access capacity including wheeling for the month (MW)	Average fixed cost for the month Rs/MW
Apr-21	2333	649	1151932
May-21	2957	666	1173102
Jun-21	2092	818	1111461
Jul-21	2111	868	1120003
Aug-21	3149	835	1058383

Sep-21	4280	851	976678
Oct-21	2590	798	1021783
Nov-21	3043	780	1215063
Dec-21	2042	753	979290
Jan-22	1197	758	1183060
Feb-22	2997	996	969827
Mar-22	2555	970	1060280
TOTAL	**2612**	**812**	**1085072**

The Commission notes that while arriving at the above data PCKL has considered total backed down data based on 15-minutes' time-block-wise MW-data. Also the month-wise open access energy is considered to arrive at the month-wise open access capacity in MW. The Commission has relied upon the above data furnished by PCKL to arrive at the additional surcharge.

The Commission has compared the stranded capacity with the open access capacity and has considered lower of the stranded capacity and open access capacity to arrive at the stranded cost attributable to the open access transactions. Accordingly, the Commission has worked out the Additional surcharge as follows:

Month 1	Capacity stranded MW 2	Open Access capacity including wheeling for the month (MW) 3	Stranded Capacity attributed to OA transactions-(MW) 4	Average fixed cost for the month Rs/MW 5	Stranded Cost attributed to OA transactions – Rs. 6=(5x4)
Apr-21	2333	649	649	1151932	747603868
May-21	2957	666	666	1173102	781285932
Jun-21	2092	818	818	1111461	909175098
Jul-21	2111	868	868	1120003	972162604
Aug-21	3149	835	835	1058383	883749805
Sep-21	4280	851	851	976678	831152978
Oct-21	2590	798	798	1021783	815382834
Nov-21	3043	780	780	1215063	947749140
Dec-21	2042	753	753	979290	737405370
Jan-22	1197	758	758	1183060	896759480
Feb-22	2997	996	996	969827	965947692
Mar-22	2555	970	970	1060280	1028471600
TOTAL	**2612**	**812**	**812**	**1085072**	**10516846401**
OA / Wheeling Cons. In MU as per PCKL					**7102.33**
Addl. Surcharge (Rs. / unit)					**1.48**

Accordingly, the Commission determines the ASC for FY24 of Rs. 1.48 /Unit which shall be applicable to all open access transactions other than for captive use.

6.10 Other Issues:

i) 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). **The Commission directs ESCOMs to give wide publicity about the availability of RE power through newspapers/ media/ interaction meeting with the industrial consumers.**

ii) Withdrawal of Rebate for use of Solar Water Heater:

The Distribution Licensees have requested the Commission to discontinue the Solar water heater rebate to the consumers. During the public hearing, some of the consumers have requested the Commission to withdraw the solar rebate extended for the installation of soar water heater. Some of the consumers have requested to increase the Rebate on Solar water heaters. The Commission, by considering mandatory installation of Solar heaters as per Government of Karnataka order, financial impact on ESCOMs and the availability of surplus power due to the commissioning of RE power projects in the State as made out in pre paras, **decides to withdraw the existing rebate for use of solar water heaters under tariff schedule LT2(a).**

iii) Prompt payment incentive:

The Commission has approved incentive for bill payment at the rate of 0.25% of bill in respect of:

(i) monthly bill exceeding Rs.1,00,000 (Rs.one lakh), where payment is made 10 days in advance of due date and

(ii) advance payment exceeding Rs. 10,000 made by the consumers towards monthly bills.

However, as discussed in pre paras, the Commission decides to discontinue the prompt payment incentive towards payment of bills through ECS.

iv) 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 / National Company Law Tribunal (NCLT).

v) Power Factor:

The Commission in its previous orders 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

vi) 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.

vii) Interest on delayed payment of bills by consumers:

The Commission, in its previous Orders had approved collection of interest on delayed payment of bills at 12% per annum. The Commission with a view to achieve the 100% collection efficiency in recovery of revenue demand to reduce the financial burden of ESCOMs and to bring in discipline among the defaulting consumers, decides to continue the same rates in this Order also.

viii) 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.

ix) Mode of Payment by consumers:

The Commission, in its previous Tariff Order had approved payment of electricity bills in cash/cheque/DD of amounts up to and inclusive of Rs. 10,000 and payment of amounts exceeding Rs. 10,000 to be made only through cheque. The consumers could also make payment of power bills through Electronic Clearing System(ECS)/ Credit card/ online E-payment up to the limit prescribed by the RBI, and the collection of power supply bills above Rupees One lakhs through RTGS / NEFT at the option of the consumer **subject to informing the payment details to the concerned sub-division.**

The Commission, as decided in the Tariff Order 2018 dated 14th May, 2018, in order to encourage the consumers to opt for digital payments in line with the direction of the Ministry of Power (MOP), GoI, decides to continue to allow CESC to collect payment of monthly power supply bill through **Electronic clearing system (ECS)/ Debit / Credit cards / RTGS/ NEFT/ Net Banking through ESCOMs / Bank/ Bangalore One and Karnataka One websites, on-line E-Payment / Digital mode of payments in line with the guidelines issued and the payment up to the limit prescribed by the RBI wherever such facility is provided by the Licensee and**

allow CESC to incur and claim the expenditure on such transaction in the ARR. However, the Commission decides to allow CESC to incur the expenditure on the payment for power supply bills received through Debit / Credit Cards having demand up to Rs.2000 and below only.

x) Cross Subsidy Levels for FY24:

The Hon'ble Appellate Tribunal for Electricity (ATE), in its Order dated 8th 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 ±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 CESC and the cross subsidy thereon, is indicated in ANNEXURE- 3 of this Order. It is the Commission's endeavour to reduce the cross subsidies gradually as per the Tariff policy.

xi) Date of Effect of Revised Tariff:

a. 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 CESC has filed its applications for revision of tariff on or before 30th November, 2022.

b. To enable the CESC to recover the revenue gap determined as per of this Order, the Commission decides that, the revised tariff for the energy consumed, shall be given effect, from the 1st meter reading date falling on or after 1st of April 2023.

A statement indicating the proposed revenue and approved revenue is enclosed vide **Annexure-3** and detailed tariff schedule is enclosed vide **Annexure-5 respectively.**

6.11 Summary of the Tariff Order:

The following is summary of the Tariff Order 2023:

- ❖ The Commission has approved the revised ARR for CESC of Rs.6148.33 Crores for FY24, which includes the revenue deficit of Rs.299.74 Crores for FY22 as per APR, with the net gap in revenue of Rs.500.67 Crores. This is against CESC's proposed ARR of Rs.6622.46 Crores and a gap of Rs.1049.72 Crores.

- ❖ CESC, in its tariff application dated 30.11.2022 had proposed an average increase in the tariff by of 146 paise per unit for all categories of consumers resulting in average increase in retail supply tariff by 18.84%. The Commission has approved an average increase of 70 paise per unit. The average increase in retail supply tariff of all the consumers in CESC for FY24 is 8.86%.

- ❖ The Commission has allowed recovery of approved revenue gap of Rs.500.67 Crores with an average increase of 70 paise per unit (seventy paise) by appropriately increasing the demand and energy charges payable by the consumers.

- ❖ The Commission has introduced the non-telescopic tariff for LT2 Domestic category of consumers.

- ❖ The Commission under LT / HT has merged Urban and Rural categories into single category.

- ❖ The Commission has merged the HT-3(a)(i), HT-3(a)(ii) & HT-3(a)(iii) tariff categories and reclassified as HT-3(a) tariff schedule.

- ❖ The Commission has reclassified the consumer under LT-7(b) tariff schedule under LT-3 (b) tariff schedule with increase in energy charges.

- ❖ The tariff schedule HT-3(b) is renamed as HT-6 Tariff schedule.

- The Commission to promote the use of eco-friendly Electric Motor Vehicle in the State in line with the Policy of the GoI / GoK, **has reduced the energy charges to the Electric Vehicle Charging Stations including the Electric Vehicle battery swapping Stations under LT-6 tariff category from the existing energy charges of Rs.5.00 per unit to Rs.4.50 per unit, without increasing the fixed / demand charges.**

- The Commission decides to extend the concession of 50 paise per unit in the Energy Charges for the electricity consumed by the Micro and Small Scale Industries for a further period of 12 months only to LT-5 category as certified by the Government**.**

- The existing ToD tariff is continued.

- The TOD tariff approved by the Commission is also applicable for the power supply availed in the Depots of the HT installation of BMTC / KSTRC / NEKRTC / NWKRTC for charging their Electric Motor Vehicle under LT6(c) tariff schedule.

- **In order to encourage sale of surplus energy, the Commission has continued the "Discounted Energy Rate Scheme" by reducing the energy charges from the existing Rs.6.00 per unit to Rs.5.00 per unit for the HT2(a) (b) and (c) categories for usage of power beyond the base consumption until further order.**

- **The Commission decides to extend the DERS scheme to LT Industrial and LT Commercial consumers also.**

- The Commission, in order to increase the energy sales and to attract the consumers to consume power from ESCOMs, has decided to continue the existing "**Special Incentive Scheme"** to HT category until further order.

- The Commission has decided to continue the concessional tariff to the Railway Traction installations.

- The Commission has decided to continue Green tariff of additional 50 paise per unit over and above the normal tariff at their option, for HT industries and HT commercial consumers to promote purchase of renewable energy from ESCOMs.

- The Commission has continued to provide a separate fund for facilitating better Consumer Relations / Consumer Education Programmes.

- The Commission has issued a new directive to link the Aadhaar card no. with RR Numbers of IP sets to regulate payment of subsidy by the Government.

- As per directive issued to the ESCOMs, the Commission, would continue to impose penalty up to Rupees one lakh per sub-division on ESCOMs, if the field officers do not conduct Consumer Interaction meetings, at least once in three months and such penalty would be payable by the concerned officers of the ESCOM.

- The Commission has decided to recover the revenue gap determined as per Chapter-5 of this Order, in the revised retail supply tariff effective from the 1st meter reading date falling on or after 1st of April 2023.

O R D E R

1. In exercise of the powers conferred on the Commission under Sections 62 and 64 and other provisions of the Electricity Act, 2003, the Commission hereby approves the ARR as per APR for FY22 and determines the ARR for FY24 and notifies the retail supply tariff of CESC for FY24 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 1st April, 2023.

3. This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission at Bengaluru this day, the 12th of May, 2023.

Sd/-	Sd/-	Sd/-
(P. Ravi Kumar)	**(H.M. Manjunatha)**	**(M.D.Ravi)**
Chairman	**Member (Legal)**	**Member**

APPENDIX

REVIEW OF COMPLIANCE OF COMMISSION'S DIRECTIVES

The Commission, in its Tariff Order dated 4th April 2022, and the earlier Tariff Orders, has issued several Directives. The Commission has been reviewing the compliance thereof, on a regular basis. In the present proceedings also, the Commission has reviewed the compliance to the Directives. The Commission decides not to pursue few of the Directives which were dropped in the earlier Tariff Order as they are routine and the CESC is attending to them. The Commission besides reviewing the existing directives, decides to elaborate and clarify them for continued compliance. The same are discussed below:

New Directives:

1. Linking of RR numbers to Aadhaar Numbers of IP sets having a sanctioned Load of 10 HP & Below:

The Commission hereby directs all the ESCOMs to take up a drive to obtain and link the RR Numbers to Aadhaar Numbers, in respect of all the IP set Installations of 10 HP & below. The ESCOMs shall complete this task within six months from the date of issue of this Order. In case the ESCOMs fail to link the RR numbers to Aadhaar Numbers, the Government shall not release subsidy in respect of such installations.

2. Setting up of Web Portal for Monitoring PPAs and payment of Power bills to the Generators:

The Commission has noticed that the ESCOMs are not maintaining the details of Power Purchase Agreements (PPAs) to monitor the term of PPA, implementing the tariff in accordance with terms & conditions of PPA and other terms as approved by the Commission from time to time.

Further, it has also come to the notice of the Commission that payment to generators against power purchase bills submitted by them, are not properly monitored to ensure timely payment of power purchase bills. This has resulted in abnormal delay in settling the generator's bill necessitating payment of Late payment surcharge (LPS). This is also giving room for increased litigations.

In view of the above facts, all the ESCOMs are hereby directed to set up a Web Portal for implementing the following activities:

a. Creating complete database of all the executed PPAs, approved by the competent authorities and updating the data on a regular basis.

b. On line payment of power purchase bills:

   i) All the generators shall mandatorily upload their power purchase bills payable by the ESCOMs, on the web portal created by the respective ESCOMs.
   ii) The ESCOMs shall arrange to pass the bills and make online payment through digital transfer of money and post the payment details on the Web Portal.

The above Directive shall be implemented within a timeframe of three months from the date of this Order.

Non-compliance of this Directive will attract action under the provision of the Electricity Act, 2003 as amended from time to time.

1. Existing Directives:

1. Issue of No Objections Certificates(NOC) for Wheeling and Banking facility to Open Access Consumers/ Captive generators:

The Commission had observed that in the matter of issue of No Objections Certificates(NOC) for Wheeling and Banking facility to Open Access Consumers/ Captive generators, the KPTCL/SLDC/ ESCOMs are not adhering to the time frame prescribed by the Commission as per the KERC (Open Access)

Regulations, 2004, as amended from time to time. As a result of the delay, substantial quantum of energy is being wheeled/ banked to the transmission/ distribution network under the provisions of 'deemed approval for the W & B facility'. The energy so wheeled/ banked remains unpaid and the generators are made to indefinitely wait for payment and ultimately they are filing petitions before this Commission for settlement of their claims.

Since the energy is wheeled/ banked from RE sources which are having must run status, any delay in giving NOC for wheeling / banking facility or non-payment of the charges for the deemed approved W & B is not justifiable. Whereas, timely action in clearing NOC for W & B facility would avoid all the complications/ litigations in the matter.

Compliance of Directive by the CESC:

CESC is making efforts to adhere to the timelines fixed by the Commission as per the KERC (Open Access) Regulations, 2004. Whereas, at times when the consent is requested for wheeling of energy from a generator to multiple HT consumers located in jurisdictions of various sub-divisions, the time taken to collect the required information from the sub-divisions is more than the timeline fixed by the Commission.

During FY-23, CESC has received 14 requests to convey consent for wheeling of energy from different generators. Out of which consent for 8 generators has been issued within 15 days and for another 6 generators slightly delayed.

Further, CESC aims to adhere to the stipulated timeline while issuing NOC to open access consumers.

Commission's Views:

The Commission would like to draw the attention of CESC to third amendment to KERC (Terms and Conditions for Open Access) Regulations, 2015, and KERC (Terms & Conditions for Green Energy Open Access) Regulations, 2022, wherein the regulations prescribed time line for approval of Open Access. Hence, CESC is directed to define the responsibility centres and fix definite timelines at each of the processing stages, within the time line as per the Regulations.

Though the Commission in the Tariff Order 2022 had directed to submit compliance to this Directive within two months from the date of issue of the Tariff Order, however, it is noted that the CESC has not furnished the details.

Further, the Commission notes that the report does not indicate the details of applications received, disposed of and balance, if any in particular, to confirm that the directives of the Commission have been complied with, in letter and spirit. In the absence of the details, it is not known how CESC is monitoring the compliance.

Hence, the Commission reiterates its directive that CESC shall ensure the issue of No Objection Certificates (NOC) for Wheeling and Banking facility to Open Access Consumers/Captive Generators within time frame prescribed by the Commission.

The Commission desires that, CESC shall furnish the details of applications received, NOC issued within the time frame and details of NOCs issued after the timeline, duly giving reasons for the delay. CESC shall also ensure that for any deliberate delay in issue of No Objection Certificates (NOC) by respective officers, suitable action is taken against the concerned.

Compliance of this Directive may be reported within two months from the date of issue of this Tariff Order

2. Directive on conducting Consumers' Interaction Meetings (CIM) in the O & M sub- divisions for redressal of consumer complaints:

The Commission, had directed that the CESC shall ensure that Consumer Interaction Meetings chaired by the Superintending Engineer are conducted in each of its O&M sub-divisions according to a pre-published schedule, at least once in every three months. Further, the consumers were to be invited to such meetings giving advance notice through emails, letters, CESC's website, local newspapers etc., to facilitate participation of maximum number of consumers in such meetings. The CESC was required to ensure that the proceedings of such meetings are recorded and uploaded on its website, for the information of consumers. Compliance in this regard was to be reported once in three months to the Commission, indicating the dates of meetings, the number of consumers attending such meetings and the status of redressal of their complaints.

If CESC failed to ensure the conduct of the Consumer Interaction Meetings as directed, the Commission would consider imposing a penalty of up to Rs. One Lakh per O&M Sub-Division per quarter for each instance of non-compliance, as per Section 142 and 146 of the Electricity Act 2003, and also directed that such penalty shall be recovered from the concerned Superintending Engineer, who fails to conduct such meetings.

In addition to the quarterly meetings to be chaired by the jurisdictional Superintending Engineer (El) or the jurisdictional Executive Engineer (El), the concerned Assistant Executive Engineer (El) shall conduct the CIM on third Saturday of every month so as attend to the grievance of the consumers, as is being done in CESC as reported in the tariff filing.

Compliance by the CESC:

The CESC is conducting Consumer Interaction Meetings(CIM) chaired by the jurisdictional Superintending Engineers/Executive Engineers, in each O&M sub-division according to pre-published schedule, once in a quarter. The schedule has been published on the CESC's website https://cescmysore.karnataka.gov.in/ and the consumers are being invited to such meetings in advance through notices on the CESC's website, local newspapers etc., to facilitate participation of maximum number of consumers in such meetings.

The proceedings of such meetings are also being recorded and uploaded on the CESC's website, for the information of consumers.

In addition to the quarterly meetings chaired by the Superintending Engineer (El) (SEE) or the Executive Engineer (El), the concerned Asst. Executive Engineers of the O&M Sub-divisions are conducting consumer interaction meetings on third Saturday of every month.

Quarterly statements in prescribed format of quarterly CIMs conducted are regularly submitted to the commission.

The abstract of Consumers' Interaction Meetings conducted in CESC jurisdiction for FY-22 is as below:

1st Quarter of FY-22

Sl. No	Name of the circle	No. of sub-divisions existing	No. of sub-divisions in which CIM is conducted	OB of complaints	No. of consumers attended	No of complaints received	No. Of complaints disposed	CB of complaints
1	Mysuru	21	4	59	25	19	71	7
2	Chamarajanagar-Kodagu	13	0	26	0	0	26	0
3	Mandya	13	0	18	0	0	18	0
4	Hassan	15	3	7	14	9	16	0
Total		**62**	**7**	**110**	**39**	**28**	**131**	**7**

2nd Quarter of FY-22

Sl. No	Name of the circle	No. of sub-divisions existing	No. Of sub-divisions in which CIM is conducted	OB of complaints	No. of consumers attended	No of complaints received	No. of complaints disposed	CB of complaints
1	Mysuru	21	21	7	188	135	78	64
2	Chamarajanagar-Kodagu	13	13	0	50	58	28	30
3	Mandya	13	13	0	89	54	35	19
4	Hassan	15	15	0	22	22	18	4
Total		**62**	**62**	**7**	**349**	**269**	**159**	**117**

3rd Quarter of FY-22

Sl. No	Name of the circle	No. of sub-divisions existing	No. of sub-divisions in which CIM is conducted	OB of complaints	No. of consumers attended	No of complaints received	No. of complaints disposed	CB of complaints
1	Mysuru	21	21	64	164	88	97	55

2	Chamarajanagar-Kodagu	13	13	30	41	41	45	26
3	Mandya	13	13	19	45	43	62	0
4	Hassan	15	15	4	21	24	28	0
Total		**62**	**62**	**117**	**271**	**196**	**232**	**81**

4th Quarter of FY-22

Sl. No	Name of the circle	No. of sub-divisions existing	No. of sub-divisions in which CIM is conducted	OB of complaints	No. of consumers attended	No of complaints received	No. of complaints disposed	CB of complaints
1	Mysuru	21	21	55	139	100	135	20
2	Chamarajanagar-Kodagu	13	13	26	38	38	45	19
3	Mandya	13	13	0	54	50	50	0
4	Hassan	15	15	0	**16**	11	11	0
Total		**62**	**62**	**81**	**247**	**199**	**241**	**39**

The abstract of Consumers' Interaction Meetings conducted in CESC's jurisdiction for 1st & 2nd quarter of FY-23 is as below:

1st Quarter of FY-23

Sl. No	Name of the circle	No. of sub-divisions existing	No. of sub-divisions in which CIM is conducted	OB of complaints	No. of consumers attended	No of complaints received	No. of complaints disposed	CB of complaints
1	Mysuru	21	21	20	133	74	79	15
2	Chamarajanagar-Kodagu	13	13	19	45	53	47	25
3	Mandya	13	13	0	61	46	46	0
4	Hassan	15	15	0	13	12	12	0
Total		**62**	**62**	**39**	**252**	**185**	**184**	**40**

2nd Quarter of FY-23

Sl. No	Name of the circle	No. of sub-divisions existing	No. of sub-divisions in which CIM is conducted	OB of complaints	No. of consumers attended	No of complaints received	No. of complaints disposed	CB of complaints
1	Mysuru	21	21	15	164	99	65	49
2	Chamarajanagar-Kodagu	13	13	25	46	49	47	27
3	Mandya	13	13	0	139	49	49	0
4	Hassan	15	15	0	107	79	79	0
Total		**62**	**62**	**40**	**456**	**276**	**240**	**76**

Further, "Vidyuth Adalath" is being conducted on the third Saturday of every month in different places which are chaired by Managing Director, Director Technical, Chief Engineers, Superintendent Engineers, Executive Engineers and Assistant Executive Engineers.
Consumers are participating in the CIMs to solve their grievances. Thus, CESC is ensuring consumer satisfaction. The compliance regarding the same is submitted to the Commission regularly.

Commission's Views:

The CESC has submitted the details of consumer interaction meetings conducted in its jurisdiction during FY22 and 1st and 2nd quarter of FY23.

The Commission had reiterated its directions to the ESCOMs to conduct the consumer interaction meetings in the sub-divisions chaired by either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer to effectively address the consumer grievances. The Commission reiterates that, in every quarter, the jurisdictional Superintending Engineer (El) or the Executive Engineer (El) should ensure to chair the CIMs covering all the O&M Sub-divisions in their respective areas. The Commission also appreciates the fact that, CESC, in addition to conducting the CIMs as per the directions, is also conducting the CIMs in all the Sub-divisions on 3rd Saturday of every month to address the grievances of the consumers, which are chaired by the jurisdictional Assistant Executive Engineer (El).

CESC reports have been received in the Commission's office at the end of each quarter in the format prescribed for reporting the conduct of CIMs. CESC shall ensure and maintain the same to submit such reports and reach the office of the Commission in future also, without fail.

Further, the Commission desires that, conduct of such meetings shall be continued duly ensuring that such meetings are strictly chaired by either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer and no other officer of the lower rank. The Commission also hereby declares that, if the consumer interaction meetings are conducted in the sub-divisions without the participation of the Superintending Engineer or the Executive Engineer, then it will be considered as non-compliance of the Commission's directives and the Commission would consider imposing a penalty of up to Rs. One lakh per O&M sub-division per quarter for each instance of non-compliance and also direct that such penalty shall be recovered from the concerned Superintending Engineer or Executive Engineer, as the case may be, who fails to conduct such meetings.

Therefore, the Commission hereby reiterates its directive to the CESC to conduct Consumer Interaction Meetings (CIM) chaired by either the jurisdictional Superintending Engineer or jurisdictional Executive Engineer once in a quarter, in each of the O&M Sub-divisions, to redress the consumer grievances relating to supply of electricity. The proceedings of conduct of such meetings shall be uploaded in the website of the CESC for reference of the needy consumers and a report in the prescribed format shall be sent to the Commission after the end of each quarter.

Also, it was brought to the notice of the Commission that the concerned officers were not available in the office during scheduled working hours. The Commission hereby directs that visiting hours should be fixed by CESC and should be continued to be displayed on the website and direct all the officers to be present during the visiting hours to redress the consumer grievances.

A quarterly compliance report shall be submitted to the Commission regularly in the format given in the previous Tariff Order, along with a copy of the proceedings of each meeting.

3. Directive on implementation of Standards of Performance (SoP):

The CESC was directed to implement the specified Standards of Performance strictly, while rendering services related to supply of power as per the KERC (Licensee's Standards of Performance) Regulations, 2004. Further, the CESC was directed to display prominently, in both Kannada & English languages, the details of various critical services such as replacing the failed transformers, attending to fuse off call / line breakdown complaints, arranging new services, change of faulty meters, reconnection of power supply, etc., rendered by it as per Schedule-1 of the KERC (Licensee's Standards of Performance) Regulations, 2004 and Annexure-1 of the KERC (Consumer Complaints Handling Procedure) Regulations, 2004, on the notice boards in all the offices of O & M Section and O & M sub-divisions, in its jurisdiction for the information of consumers, as per the format given in the previous Tariff Orders.

Compliance by the CESC:

CESC has already implemented the specified Standards of Performance while rendering services related to supply of power as per the KERC (Licensee's Standards of Performance) Regulations, 2004. CESC has displayed prominently in Kannada the details of various services such as replacing of the failed transformers, attending to fuse off call / line breakdown complaints, arranging new services, change of faulty energy meters, reconnection of power supply, etc., rendered as per Schedule-1 of the KERC (Licensee's Standards of Performance) Regulations, 2004 and Annexure of the KERC (Consumer Complaints Handling Procedure) Regulations, 2004, on the notice boards in all the O & M sections and O & M subdivisions for the information of consumers.

Implementation of Commission's Directive on SoP as on Sep- 2022

Sl No	Circle	Mysuru	Chamarajanagar & Kodagu	Mandya	Hassan	CESC Total
1	No of O&M Sub Divisions Existing	21	13	13	15	**62**
2	No of O&M Sections Existing	88	55	61	63	**267**
3	No of O&M Sub Divisions where the details displayed	21	13	13	15	**62**
4	No of O&M Sections where the details displayed	88	55	61	63	**267**
5	No of Complaints received for the delay in rendering the service	0	0	0	0	**0**
6	Amount paid to the consumer in Rs	0	0	0	0	**0**

Sl No	Circle	Mysuru	Chamarajanagar & Kodagu	Mandya	Hassan	CESC Total
7	Number of awareness campaigns conducted in Hobli level for educating consumers	CESC is creating awareness to consumers regarding SoP in Janasamparka Sabhas & Vidyuth Adalath				
8	No of Orientation program conducted for educating the officers and field staff up to the level of Powermen on the sop and consequences for non-adhering	Institutional training has been arranged for 290 Powermen in three batches and 744 numbers of Orientation programs has been conducted.				
9	Action taken on publishing the handbook(ಕೈಪಿಡಿ) on sop and distributing to all the staff and stakeholders	Sufficient nos of hand books are issued to each division in FY-21				
10	Remarks/awards given to best performing subdivision/ section in respect of adherence to sop	1)NR ohalla, 2)V.V mohalla divisions 3)Kuvempunagar sub division	-	1)Pandavapura,, 2)Nagamangala divisions 3)mandya sub division	1)Arasikere division ,2)Hassan sub division	

The compliance regarding the same is being submitted to the Commission regularly.

In its replies to preliminary observations, CESC has submitted that as on September-2022, the SoP parameters are displayed in all O&M sections & Sub-divisions and proper monitoring is also done.

Till Date, no penalty is levied on the Officers and no amount is paid to the consumers regarding violation of SoP.

Commission's Views:

It is noted that CESC's reports have been received in the Commission's office at the end of each quarter. CESC shall ensure and maintain the same to submit such reports reach the office of the Commission in future also, without fail.

The MoP, GoI, has issued the Electricity (Rights of Consumers) Rules, 2020 to enhance the consumer satisfaction levels by incorporating the technological advancement in the power sector due to the application of information Technology, advancement in metering technology etc. For incorporating the provisions of the Electricity (Rights of Consumers) Rules,2020, the Regulations issued earlier by the KERC were suitably amended and notified the KERC (Rights of Consumers Relating to Supply of Electricity, Standards of Performance (SoP) and allied matters) Regulations, 2022 on 14.10.2022

a) In this notification, the Commission has specified the time frame, as required under the Rules issued by the MoP, by including the same in the respective Regulations which deal with Duty of the Licensee to Supply Electricity on Request, the Licensees' Standards of Performance and Consumer Complaints Handling Procedure and,
b) has Considered repealing the following Regulations in order to avoid duplication and redundancy:
    (i) KERC (Duty of the Licensee to Supply Electricity on Request) Regulations, 2004
    (ii) KERC (Licensees' Standards of Performance) Regulations, 2004 with amendments
    (iii) KERC (Consumer Complaints Handling Procedure) Regulations, 2004

These Regulations specify automatic payment of compensation by the Distribution Licensees for their failure to meet the guaranteed standards of performance in respect of certain critical service areas. The mechanism for automatic payment of compensation, in respect of certain service areas, is expected to push the Distribution Licensees to strive for improving their quality of performance and enhancing their service standards.

In view of the above, it has become all the more essential duty of CESC to supply quality and reliable power to consumers. **Hence, the KERC (Rights of Consumers Relating to Supply of Electricity, Standards of Performance (SoP) and allied matters) Regulations, 2022** specified by the Commission need to be implemented in its letter and spirit.

In order to make the consumers aware of the Rights of Consumers Relating to Supply of Electricity, Standards of Performance (SoP) and allied matters, Regulations, 2022 specified by the Commission and make consumers get prompt services from CESC, it is its duty to display the specified parameters as per **Rights of Consumers Relating to Supply of Electricity, Standards of Performance (SoP) and allied matters, Regulations, 2022** in all their offices, website etc.

As per the submissions made by CESC, in its Tariff application, it is observed that, CESC has not efficiently conducted the awareness campaigns on SoP for consumers at Hobli level. If it had conducted such awareness campaigns, CESC would have furnished the details of such campaigns.

Hence, the Commission while taking note of the CESC's compliance, reiterates that the CESC shall continue to adhere to the directives on the specified Standards of Performance in rendering various services to consumers in a time bound manner.

Further, the Commission directs the CESC to supervise over the functioning of field offices particularly in rendering of services to the consumers, relating to restoration of supply of electricity.

The Commission also directs CESC to submit the Quarterly Reports giving the details of number of violations of SoP by officers, Sub-division-wise, month-wise, amount of penalty levied on the officers and the amount paid to the consumers for the delay in rendering various services. CESC shall continue to display the parameters specified in the Rights of Consumers Relating to Supply of Electricity, Standards of Performance (SoP) and allied matters, Regulations, 2022 in each of the Section Office and Sub-division Office, in a conspicuous place, which can be viewed by all the visitors to the Office. At the end of SoP, it shall be mentioned that, consumers can claim the compensation automatically from the concerned officers for deficiency in service.

The Commission reiterates and directs CESC to conduct awareness campaign at the Hobli levels for educating the public about the Rights of Consumers Relating to Supply of Electricity, Standards of Performance (SoP) and allied matters, Regulations, 2022 specified by the Commission. CESC shall continue to conduct necessary orientation programme for all the field officers and the staff up to linemen level to educate them on the SoP and the consequences of non- adherence to the same. CESC shall consider and continue bringing in a system of recognizing the best performing sub-division / section in terms of adherence to SoP and publicize such recognition so as to incentivize better performance from the officers / personnel concerned.

2. Directive on use of safety gear by linemen / Power men:

With a view to reducing the electrical accidents to the linemen working in the field, the Commission directs the CESC to ensure that all the linemen in its jurisdiction are provided with proper and adequate safety gears and also ensure that the linemen use such safety gears while working on the network. The CESC should sensitize the linemen about the need for adoption of safety aspects in their work through suitably designed training and awareness programmes. The CESC is also directed to device suitable reporting system on the use of safety gear and mandate supervisory / higher officers to regularly cross check the compliance by the linemen and take disciplinary action on the concerned if violations are noticed. The CESC shall implement this directive and submit compliance report to the Commission.

Compliance by the CESC:

The CESC has provided proper and adequate safety gear to the linemen in its jurisdiction and is ensuring that the Powermen use such safety gear provided while working on the distribution system.

The CESC has directed the field officers to monitor the proper up keep of the safety gear provided and keep in stock reasonable spare sets of safety gear and also monitor the use of the same by Powermen and take disciplinary action on the concerned if violations are noticed.

From 07.02.2022 to 14.02.2022, "Arivu Sapthaha" was conducted in all the 267 sections, wherein one of the main agendas was to emphasize the use of safety gear among the field staff.

Details of safety gear issued to the powermen are furnished as below:

Sl no	Name of the circle	Total no. of powermen		No. of powermen provided with safety gear		No. of powermen yet to be provided with safety gear	
		Regular	Contract	Regular	Contract	Regular	Contract
1	Mysore	1192	0	1192	0	0	0
2	Chamarajanagar-Kodagu	803	0	803	0	0	0
3	Mandya	925	0	925	0	0	0
4	Hassan	1032	0	1032	0	0	0
CESC Total		**3952**	**0**	**3952**	**0**	**0**	**0**

All the Powermen are provided with the safety equipment and the safety equipment are used by the field staff extensively.

The compliance regarding the same is being submitted to the Commission regularly.

Commission's Views:

The Commission while taking note of the CESC's compliance on the directive, stresses that the CESC should continue to give attention to safety aspects in order to reduce and prevent electrical accidents occurring due to negligence / non-adherence of safety procedures by the field staff while carrying out the work on the distribution network.

The power men and other field staff should be imparted appropriate training periodically on adherence to safety aspects / procedure, and such training modules should include case studies on the safety aspects and related issues, so that the training highlights current and relevant issues which will go a long way in understanding the seriousness of the issues by the field staff.

The Commission reiterates its directive that the CESC shall ensure that, all the power men and other field staff are provided with adequate and appropriate safety equipment and they use the safety gears and equipment, while carrying out the work. Protocols should be drawn on procedures to be adopted / roles and responsibilities fixed in respect of all those involved in working on (live) lines / installations for repairs etc., based on case studies.

The compliance in this regard shall be submitted once in a quarter to the Commission regularly.

3. Directive on load shedding:

In respect of Load Shedding, the Commission had directed that:

i) Load shedding required for planned maintenance of transmission / distribution networks should be notified in daily newspapers at least 24 hours in advance for the information of consumers.
ii) The ESCOMs shall on a daily basis estimate the hourly requirement of power for each sub-station in their jurisdiction based on the seasonal conditions and other factors affecting demand.
iii) Any likelihood of shortfall in the availability during the course of the day should be anticipated and the quantum of load shedding should be estimated in advance. Specific sub-stations and feeders should be identified for load shedding for the minimum required period with due intimation to the concerned Sub-Divisions and sub-stations.
iv) The likelihood of interruption in power supply with time and duration of such interruptions may be intimated to consumers through SMS and other means.
v) Where load shedding has to be resorted due to unforeseen reduction in the availability of power, or for other reasons, the consumers may be informed of the likely time of restoration of supply through SMS and other means.
vi) Load shedding should be carried out in different sub-stations / feeders to avoid frequent load shedding affecting the same sub-stations / feeders.

vii) The ESCOMs should review the availability of power with respect to the projected demand for every month in the last week of the previous month and forecast any unavoidable load shedding after consulting other ESCOMs in the State about the possibility of inter-ESCOM load adjustment during the month.

viii) The ESCOMs shall submit to the Commission their projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month for approval.

ix) The ESCOMs shall also propose specific measures for minimizing load shedding by spot purchase of power in the power exchanges or bridging the gap by other means.

x) The ESCOMs shall submit to the Commission sub-station-wise and feeder-wise data on interruptions in power supply every month before the 5th day of the succeeding month.

The Commission had directed that the ESCOMs shall make every effort to minimize inconvenience to consumers by strictly complying with the above directions. The Commission had indicated that it would review the compliance of directions on a monthly basis for appropriate orders.

Compliance by CESC:

CESC is making use of Urja-Mitra application developed by RECTPCL for sending messages to provide the information of scheduled and un-scheduled power outages, emergency outages, restoration time, power outage extension time etc., to the consumers of CESC through SMS via web portal and mobile app. The Consumer database is updating regularly, as on date 14,95,000 consumers' mobile numbers are integrated to the system. Due to backend server problem CESC is unable to update the consumer database in Urja-Mitra application, the same is communicated to the REC and it was rectified in August-2022, now updating of database will be speeded up to cover the entire consumers' details of the CESC.

The prior outage information is conveyed to all the EHT consumers via Whatsapp and all power outages is hosted in company website and paper notification is also issued in advance.

In order to provide quality & reliable power supply, CESC is regularly conducting preventive breakdown maintenance of all 11KV feeders, Distribution Transformers and LT lines, replacing overhead 11KV lines by UG cable/AB cable, re-conductoring & strengthening of 11KV /LT distribution lines, evacuation of feeder/link lines works. Further, HT/LT lines & new DTCs are being added to the existing distribution network every year in order to improve voltage level, to reduce interruptions and to provide 24*7 power supply to the consumers of CESC.

Distribution Transformer Life Cycle Management System(DTLMS) Software was implemented in CESC to monitor the movement of transformers, performance of Transformers, analyzing failure, complete history of a Distribution transformer from the date of procurement till it is scrapped.

Whatsapp group is created to monitor the transformer failure, pending for replacement and stock position. A Committee was formed by consisting officers of Technical Audit & Quality Control, Meter Testing Division and O&M Division office to monitor the stage-wise repairing of transformers. Routine inspection of Repair centres by TA & QC officers to ensure quality of work.

CESC has established 15 nos. of Transformer testing centers in all O&M Division headquarters to test the Transformers procured for TTK works/ Company Purchase, Transformers repaired by the repairer and are assured to the required quality. As per directions of GoK the failed Transformers are replaced within 24 hours except due to some extreme conditions like heavy rain, standing crop, land subsidence, flood etc.

Under Transformer Maintenance Abhiyana, from May-2022 to August -2022 maintenance works were carried out for 37,511 numbers of Distribution Transformers of different capacity and work is in progress. Further, on an average of 11,000 numbers of new transformers are added to the network every year to ease out the overloading of existing transformers, thereby there is an improvement in voltage, reduction in distribution loss. The failure rate transformers for FY 2021-22 is 7.09%.

Details of average hours of supply given from April-2022 to October-2022

Month	Industrial	Water Supply	Urban	NJY	Rural		IP
					3PH	1PH	3PH
Apr-22	23:15:06	23:15:45	22:44:20	22:19:57	06:38:12	08:26:00	06:29:37
May-22	23:18:22	22:45:00	22:14:20	21:50:00	06:28:12	08:36:00	06:00:41
Jun-22	23:33:15	23:15:45	22:34:10	22:13:57	07:00:12	08:26:00	06:29:32
Jul-22	23:33:44	23:11:54	22:44:03	22:14:50	06:52:04	07:32:33	06:45:03
Aug-22	23:06:58	23:21:00	22:40:40	23:01:00	06:43:00	08:54:00	06:51:00
Sep-22	23:34:00	23:37:22	23:02:00	22:38:00	06:30:00	08:48:00	06:25:00
Oct-22	23:36:15	23:31:21	23:21:29	22:20:25	06:58:00	08:21:47	06:24:00

The compliance regarding the same is being submitted to the Commission regularly.

Commission's Views:

The Commission notes that, CESC is making use of the URJA Mitra App developed by RECTPCL for sending messages to provide the information of scheduled and unscheduled power outages, emergency outages, restoration time, power outage extension time etc., due to the reasons such as system constraints, breakdowns of lines / equipment, maintenance etc., to the consumers, through SMS. CESC has to take further steps and speed up to update the database to cover the entire consumers, to make the App effective. URJA Mitra mobile application, which can be used as a link between CESC field staff and citizens for facilitation of dissemination of information of outage to all consumers through SMS. The application can also be integrated with any other system. This would significantly address the "consumers' dissatisfaction" on this issue and prevent inconvenience / disruption caused to the consumers especially the industrial consumers.

The Commission notes that, though the availability of power has improved resulting in surplus power situation, the distribution network reliability has not similarly improved, causing frequent disruptions in power supply, resulting in hardship to the consumers and also loss of revenue to the CESC. The

Commission directs CESC to take remedial measures to minimize power supply interruptions and ensure 24 x 7 power supply. CESC shall submit the action plan in this regard to the Commission within three months of this order.

As per the SoP set by the Commission, the CESC is required to restore power supply affected due to failure of DTC within 24 hours in City and Town areas and within 72 Hours in Rural areas. However, during the public hearing the consumers have complained that the CESC is not adhering to the SoP fixed by the Commission and that the field officers are not attending to minor faults and are taking longer time for restoring power supply. It is further noted that, lack of regular maintenance and poor quality of repairs have also contributed to the increase in number of failures of distribution transformers.

The Commission hereby directs CESC to continue to conduct orientation programmes / workshops to the field staff to equip and motivate them to attend to the minor faults at site itself wherever possible and restore power supply as early as possible. CESC is also directed to take action to effectively monitor and supervise the work of periodical maintenance & repairs to the transformers and fix personal responsibility on the erring staff / officer in case of poor maintenance and poor quality of repairs. **However, CESC has not indicated anything about conducting orientation program / workshops to the field staff to equip them to attend to the minor faults at site itself wherever possible and restore power supply as early as possible and the action taken on the erring staff / officer in case of poor maintenance and poor quality of repairs**.

The Commission reiterates that the CESC shall comply with the directive on load shedding and submit monthly compliance reports thereon to the Commission regularly.

4. Directive on Establishing a 24x7 Fully Equipped Centralized Consumer Service Centre for Redressal of Consumer Complaints:

The CESC was directed to put in place a 24x7 fully equipped Centralized Consumer Service Centre at its Headquarters with a state-of-the-art facility /

system for receiving consumer complaints and monitoring their redressal so that electricity consumers in its area of supply are able to seek and obtain timely and efficient services in the matter of their grievances. Such a Service Centre shall have adequate desk operators in each shift so that the consumers across the jurisdiction of the CESC are able to lodge their complaints to this Centre.

Every complaint, received through various modes in the center shall be registered by the desk operator and the complaint register number shall be intimated to the Consumer through SMS. In turn, the complaints shall be transferred online to the concerned field staff for resolving the issue. The concerned O&M / local service station staff shall visit the complainant's premises at the earliest to attend to the complaints and then inform the Centralized Service Centre that the complaint is attended. Thereafter, the desk operator shall call the complainant and confirm with him whether the complaint has been resolved. The complaints shall be closed only after confirmation by the consumer. Such a system should also generate daily reports indicating the number / nature of complaints received, complaints attended, complaints pending and reasons for not attending to the complaints along with the names of the officers responsible with remarks be placed before the Management on the following day for attention to review and take corrective action in case of any pendency / delay in attending to the complaints.

The CESC shall publish the details of complaint handling procedure / Mechanism with contact numbers in the local media or in any other form periodically for the information of the consumers.

The Commission directs the CESC to establish / strengthen 24 x 7 service stations, equipping them with separate vehicles & adequate line crew, safety kits and maintenance materials at all its sub-divisions including the rural areas for effective redressal of consumer complaints.

Compliance by the CESC:

- The CESC has established centralized customer care center works for 24X7 to provide effective service to the consumer and redressal of consumer complaints with in stipulated time.
- CESC has senior level officers, GMT, DGM & AGM to supervise and review all the activities of the CCC & CCRs working in CCC.
- Further, the agency will be instructed to impart and continue such more trainings on public relations and behavioral attitude, interpersonal relations and communication skills
- In continuation, action will be initiated to recognize & publicize the best performer in CCC and also to provide the incentives to the same. CESC has taken action to establish full-fledged service stations at subdivision & section level by providing vehicle, CUG mobile numbers and necessary safety equipment's.
- Further, field staff are continuously educated/sensitized to minimize the time taken for resolving the consumer complaints related to break down of lines /equipment's/failure of DTC etc., by issuing necessary circulars & safety guide lines.
- CESC has adopted web based PGRS (Public Grievance Redress System) Software in CCC. This software is installed successfully and working satisfactorily by enabling fast complaint registration and redressal of consumer complaints.
- The CCC is analyzing and monitoring the complaints registered to minimize the time taken to resolve the complaints in co-ordination with field staff. The complaints which are not solved as per SoP will be escalated to next higher officers.
- The field staff are regularly educating/ sensitizing regarding handling of consumer complaints to provide prompt and efficient service to the customers by issuing circulars, guidelines regularly.
- CESC has taken action to establish full-fledged service stations at subdivision & section level by providing vehicle, CUG mobile numbers and necessary safety requirements.

- Paper notification regarding Helpline Number 1912 is published in both Kannada and English leading newspaper regularly. Complaint handling procedure is published on 24.06.2022. Copy annexed as Annexure-9
- User Manuals are available at http://cescmysorepgrs.in/ to guide consumers, how to register complaints at Centralized Customer Care center and track the status of their complaints.
- CESC has implemented caller tune regarding "electricity helpline 1912" for all CUG Mobile Numbers of CESC officers (O&M/offices) /Service stations
- The complaints registered and resolved in CCC during FY-22 are as detailed below:

Details of complaints registered and resolved in FY-22			
Sl No	**Name of Circle**	**No of complaints registered**	**No of complaints resolved**
1	Mysuru	170744	170744
2	Mandya	20130	20130
3	CH Nagar-Kodagu	9971	9971
4	Hassan	12502	12502
Grand Total:		**213347**	**213347**

The compliance regarding the same is being submitted to the Commission regularly.

Commission's Views:

The Commission notes that the CESC has established the necessary infrastructure for effective redressal of consumer complaints. While taking note of the efforts made by CESC, it is observed that the number of complaints is increasing year on year. If CESC has carried out the improvement works, then the number of consumer complaints should come down. But the same is not true going by the increase in number of complaints. CESC should ensure that that the improvement and O&M works executed are as per the standards so that the number of complaints are reduced.

While appreciating the efforts put in by CESC, the Commission directs CESC to continue to instruct the agency employing and deploying such executives to impart suitable training on public relations and behavioral attitude, interpersonal relations etc. **CESC shall continue bringing in a system of recognizing the best performing customer care executive every week / fortnight / month and publicize such recognition so as to encourage and incentivize better performance from them. The Commission directs CESC to continue to deploy a Senior Level Officers to supervise and review all the activities of the CCC, and shall take disciplinary action against erring officials / executives.**

The Commission hereby directs CESC to continue its efforts in improving the delivery of consumer services, especially in reducing time required for resolving consumer complaints relating to breakdowns of lines / equipment, failure of transformers etc. The CESC is also directed to analyze the nature of complaints registered and take action to minimize the number of complaints by taking preventive / corrective action.

The Commission reiterates that the CESC shall periodically publish the complaint handling procedures / contact number of the Centralized Consumer Service Centre in the local media, continue to host it on its website and also publish it through other modes, for the information of public and ensure that all the complaints of consumers are registered only through the Centralized Consumer Service Centre for proper monitoring and disposal of the complaints registered.

As directed CESC has established and operating 24x7 fully equipped Centralized Consumer Service Centre for redressal of consumer complaints. Considering this, Commission decides not to pursue this directive further and drop the Directive.

5. Directive on Energy Audit:

The Commission had directed the CESC to prepare a metering plan for energy audit to measure the energy received in each of the Interface Points and to account the energy sales. The Commission had also directed the CESC to conduct energy audit and chalk out an action plan to reduce distribution losses to a maximum of 15 percent in the towns / cities having a population of over 50,000, wherever the losses are above this level.

The Commission, in 2010 itself, had directed all the ESCOMs to complete installation of meters at the DTCs by 31st December, 2010. The ESCOMs were required to furnish to the Commission the following information on a monthly basis:

i. Number of DTCs existing.
ii. Number of DTCs already metered.
iii. Number of DTCs yet to be metered.
iv. Time bound monthly programme for completion of the work.

Compliance by the CESC:

11 KV Feeder Energy Audit:

The Energy Audit for 2159 feeders for FY-22 has been submitted to the Commission on 25.7.2022 and revised feeder-wise audit was furnished to the Commission vide letter No: CESC/GM(COML)/DGM(COML)/F8/22-23/16125 dated: 10.11.22.

Energy audit of 11 kV feeders for 2021-22										
Sl.	**Name of the Circle**	**Existing feeders**	**No. of 11kV feeders audited**	**No. of feeders not audited**	**<5%**	**5 to 10%**	**10 to 15%**	**15 to 20 %**	**20 to 25 %**	**>25%**
1	Mysuru	718	705	13	51	260	394	0	0	0
2	Chamarajanagar-Kodagu	343	321	22	12	40	268	1	0	0
3	Mandya	519	517	2	9	115	393	0	0	0

Energy audit of 11 kV feeders for 2021-22										
Sl.	**Name of the Circle**	**Existing feeders**	**No. of 11kV feeders audited**	**No. of feeders not audited**	**<5%**	**5 to 10%**	**10 to 15%**	**15 to 20 %**	**20 to 25 %**	**>25%**
4	Hassan	579	576	3	34	100	442	0	0	0
CESC Total		**2159**	**2119**	**40**	**106**	**515**	**1497**	**1**	**0**	**0**

CESC is conducting 11kV feeder-wise energy audit every month. As on August-2022, there are 2194 feeders in CESC jurisdiction, out of which 2119 no's of 11kV feeders are audited.

Energy audit of 11 kV feeders of 2022-23										
Sl.	**Month**	**No. of feeders Existing**	**No. of feeders audited**	**No. of feeders not audited**	**<5%**	**5 to 10 %**	**10 to 15%**	**15 to 20 %**	**20 to 25 %**	**>25%**
1	April-22	2162	2124	38	81	540	1495	0	3	5
2	May-22	2162	2126	36	113	490	1522	1	0	0
3	June-22	2179	2116	63	161	503	1439	9	4	0
4	July-22	2191	2119	72	113	582	1424	0	0	0
5	Aug-22	2194	2119	75	101	568	1450	0	0	0

Revised city energy audit for 2021-22 is as follows:

Energy Audit of Towns & Cities for FY 2021-22						
Name of the Town / City having population of more than 50,000	**2021-22**	**Energy Input to the City / Town in MU**	**Total sales in MU**	**Energy Loss in MU**	**Energy Loss in %**	**Remarks (Increase / Decrease in % Energy Loss)**
1	**2**	**3**	**4**	**5**	**6=5/3*100**	**7**
Mysuru	Quarter – I (April 21-june21)	239.17	225.48	13.69	5.72	
Chamarajanagar		9.78	8.48	1.30	13.33	
Kollegala		11.52	9.92	1.60	13.89	
Mandya		22.02	19.33	2.70	12.25	
Hassan		32.81	30.49	2.32	7.07	
Mysuru	Quarter – II (July 2021 to September 2021)	234.58	215.07	19.51	8.32	
Chamarajanagar		8.68	7.51	1.18	13.54	
Kollegala		9.22	7.93	1.29	13.99	
Mandya		20.75	18.29	2.46	11.87	
Hassan		29.50	27.24	2.26	7.66	

Energy Audit of Towns & Cities for FY 2021-22						
Name of the Town / City having population of more than 50,000	**2021-22**	**Energy Input to the City / Town in MU**	**Total sales in MU**	**Energy Loss in MU**	**Energy Loss in %**	**Remarks (Increase / Decrease in % Energy Loss)**
Mysuru	Quarter – III (October 2021 to December 2021)	239.95	221.51	18.44	7.68	
Chamarajanagar		8.21	7.08	1.13	13.81	
Kollegala		8.16	7.12	1.04	12.75	
Mandya		19.83	18.39	1.44	7.28	
Hassan		30.98	28.83	2.15	6.94	
Mysuru	Quarter - IV(Jan 2022 to March 2022)	244.81	229.18	15.63	6.38	
Chamarajanagar		9.07	7.88	1.19	13.08	
Kollegala		8.99	7.90	1.09	12.12	
Mandya		21.49	19.38	2.11	9.81	
Hassan		31.88	29.56	2.32	7.28	
Mysuru	Annual Energy Audit of Towns & Cities	958.51	891.24	67.27	7.02	1) Tagging of installations to respective feeders and DTCs is in progress. 2) Measures will be taken to achieve 100% reading and billing.
Chamarajanagar		35.74	30.94	4.80	13.43	
Kollegala		37.89	32.87	5.02	13.25	
Mandya		84.09	75.38	8.71	10.36	
Hassan		125.17	116.12	9.05	7.23	

In each quarter compliance to the Directive is being furnished regularly. Further, division wise energy audit workshop was conducted during FY-21 and CESC will continue to conduct workshops on energy audit in upcoming months.

DTC Energy Audit

DTC energy loss analysis from April-21 to March-22 (FY-22)

Month / Year	Total no. of DTCs for which energy audit is conducted			DTC Energy loss analysis					
	Urban	**Rural**	**Total**	**<5%**	**5-10%**	**10% 15**	**15-20%**	**20-30%**	**>30%**
April-21	6837	6736	13573	4215	6263	2760	308	26	1
MAY-21	6503	6878	13381	4289	5684	3129	264	15	0
JUNE-21	6973	9721	16694	5341	6398	4083	857	15	0
JULY-21	7189	11058	18247	6335	7248	3993	637	32	2
AUG-21	7645	11474	19119	7320	8556	2987	256	0	0
SEP-21	8220	12639	20859	8252	9862	2705	40	0	0
OCT-21	8589	12768	21357	9898	9704	1755	0	0	0
NOV-21	9024	13302	22326	13296	7833	1197	0	0	0
DEC-21	9439	12942	22381	13477	7766	1099	39	0	0
JAN-22	9435	13140	22575	14034	8193	341	7	0	0
FEB-22	9408	12959	22367	14137	7775	436	19	0	0
MAR-22	8467	13022	21489	14125	7031	312	21	0	0

DTC Energy Loss Analysis as on 30.09.2022:

- 1034 purely agricultural feeders have been commissioned. There are 102614 numbers of transformers on these feeders. Metering is not required in respect of these transformers as the feeder consumption is being considered for calculation of IP set consumption.
- 2559 numbers of water supply installations with an independent distribution transformer have been serviced and all of them are in rural areas. As such, metering is not required in respect of these transformers.
- 9671 number of DTCs have to be provided with meters.

  The details are as furnished below:

Existing DTCs	**Metered DTCs**	**DTCs where meters are not required**	**DTCs to be metered**
167705	**52861**	**105173**	**9671**

DTC Energy Loss Analysis from April-22 to August-22 (FY-23)

Month / Year	Total no. of DTCs for which energy audit is conducted			DTC Energy loss analysis					
	Urban	Rural	Total	<5%	5-10%	10% 15	15-20%	20-30%	>30%
April-22	8755	13543	22298	14663	7241	385	9	0	0
MAY-22	8823	13544	22367	15050	6982	328	7	0	0
JUNE-22	8784	13489	22273	14964	7051	250	8	0	0
JULY-22	9612	12787	22399	14047	7584	768	0	0	0
AUG-22	8299	13660	21959	14564	7124	271	0	0	0

Action is being initiated by CESC to bring down the percentage of losses in respect of transformers where the losses are more than 10%. CESC is taking every possible measure to adhere to the direction of the Commission in respect of DTC energy Audit. The details of DTCs metered and DTCs audited year on year since 2019 are furnished as follows:

Sl.no	As on	DTCs Metered	DTCs Audited
1	31.3.2019	41208	9840
2	31.3.2020	47724	11280
4	31.3.2021	52150	13114
5	31.3.2022	52714	21489

Further, Meter Testing Divisions/LT rating sub-divisions of MT Division are inspecting the DTCs for verifying the metering status of DTCs and the work is in progress. During inspection they have identified 14373 nos. of DTCs' meters are not working out of inspected 27280 metered DTCs and still 25434 metered DTCs are to be inspected by MT staff.

In its replies to preliminary observations, CESC has submitted that:

The Comparative statement of losses recorded in Town and Cities for FY-21 as against the FY-22 is as below:

Name of the Town	FY-21	FY-22
Chamarajanagar	14.74	13.42
Kollegala	13.30	13.25
Mandya	11.63	10.36
Hassan	7.44	7.23

- 52,861 Nos. of DTCs are metered as on September-2022.
- MT staff has inspected 27,280 number of metered DTCs, out of which 14,373 DTCs' meters are not in good condition.
- Further, action is being initiated to set right the defective meter/connected accessories so as to bring them back to working condition.
- At present, 22,017 DTCs are audited during September-22.

Commission's Views:

CESC is not submitting the energy audit reports of cities / towns with detailed analysis regularly, to the Commission. CESC needs to conduct energy audit of identified cities / towns and on the basis of energy audit results, initiate necessary action to reduce the distribution losses and improve collection efficiency so as to achieve the targeted AT & C loss of less than 15 per cent in all towns. The CESC is directed to focus on the towns and cities having a distribution loss of more than 8% and take corrective measures to bring down the losses. CESC is also directed to conduct such energy audit and submit compliance thereon every quarter, regularly to the Commission.

It is observed that despite completion of metering of 52,714 number of DTCs with Automatic Meter Reading Infrastructure, the CESC is furnishing the energy audit analysis for only 21,489 DTCs i.e., for 40.76% of the metered DTCs. Since the past five years of tariff filing, CESC has been informing that the action will be taken to conduct energy audit of 100% of DTCs for which the meters are provided. CESC has failed to furnish the energy audit reports for the remaining number of DTCs which are metered, citing that the tagging of consumer installations with the respective feeders / DTCs is in progress.

CESC has not furnished any information regarding the action taken on the results of month-wise energy audit of all the 11 kV feeders operating in its jurisdiction. It is evident that the CESC is not serious in analysing energy audit of 11 kV feeders and DTCs and run its business on commercial principles.

The Commission directs CESC, to take up energy audit as its core function, after spending a huge money on RAPDRP project, the TRM and many other software. The Commission notes that the action taken by the CESC in the matter of energy audit, so far, is far from satisfactory. As there are many cities and towns which have recorded distribution loss of more than 8%, the CESC is directed to continue to take stringent action to reduce distribution losses in towns and cities to below 8%.

Therefore, CESC is directed to take up energy audit of all the 11 kV feeders, DTCs, which are said to be metered and the energy audit of major Cities / Towns and take remedial measures for reducing energy losses in the high loss-making distribution areas based on the results of the energy audit. The compliance in respect of energy audit conducted, with the details of analysis and the remedial measures initiated to reduce loss levels shall be regularly submitted to the Commission on a quarterly basis.

Further, the Commission directs CESC to continue to conduct workshops at the Division Office level, for educating the officers of all cadre on the importance of conducting the energy audit, feeder-wise, DTC-wise etc., and motivating them to take action to reduce the losses in their areas besides addressing issues relating to consumer tagging, strictly servicing all the installations by providing appropriate energy meters, providing and maintaining energy meters to the DTCs, Metering of Street light installations, replacement of electromechanical meters etc. Further, the feeder-wise and DTC-wise energy audit shall be reviewed in the review meetings at the Circle/Division levels every month.

The Commission directs CESC to submit a consolidated energy audit report for the FY23, before 31st June 2023, as per the formats prescribed by the Commission.

6. Directive on Implementation of Financial Management Framework:

The present organizational set up of the ESCOMs at the field level appears to be mainly oriented towards maintenance of power supply without a corresponding emphasis on realization of revenue. This has resulted in a serious mismatch between the power supplied, expenditure incurred and the revenue realized by the ESCOMs. The continued inability of the ESCOMs to effectively account the input energy and its sale in different sub-divisions of the ESCOM in line with the revenue realization rate fixed by the Commission, urgently calls for a change of approach by the ESCOMs, so that the field level functionaries are made accountable for ensuring realization of revenues vis-à-vis the input energy supplied to the jurisdiction of Sub-division / Division.

The Commission had therefore directed the CESC to introduce a system of Cost-Revenue Centre Oriented Sub-Divisions at least in two Divisions, on a pilot basis, in its operational area and report the results of the experiment to the Commission.

Compliance by the CESC:

As directed by the Commission, the CESC has implemented the Financial Management Framework and the compliance is being submitted to the Commission regularly. The analysis of the performance of all the divisions for FY-22 and for FY23 (up to September 22) using the financial framework has been submitted to the Commission.

Commission's Views:

The Commission notes that, though the CESC has implemented the financial framework model designed by it, it is not submitting the compliance in respect of implementation of Financial Management Framework, on quarterly basis, to the Commission, as directed.

The Commission directs CESC to continue to review the performance of the Divisions & Sub-divisions in terms of the energy received, sold, average revenue realization and average cost of supply using the Financial Management Framework Model developed by it. Further, the CESC is directed to continue to analyze the following parameters each month to monitor the performance of the Divisions and Sub-divisions, at Corporate level:

a) Target losses fixed and the achievement at each stage.
b) Target revenue to be billed and achievement against each tariff category of consumers.
c) Target revenue to be collected and achievement under all tariff categories.
d) Target revenue arrears to be collected.
e) Targeted distribution loss reduction when compared to previous years' losses.
f) Comparison of high-performing divisions in sales with low performing divisions, in terms of low AT & C loss levels and high revenue realization, so as to plug the loopholes in low performing divisions.
g) Targets and achievement in performing the energy audit, feeder-wise, DTC-wise, and the performance in achieving the reduction in energy losses of feeders, DTCs by setting right the lacunas / issues viz., tagging of consumers properly etc.

Based on the above analysis, CESC needs to take corrective measures to ensure100 per cent meter reading, billing, and collection, through identification of feeders showing high losses, sub-normal consumption in meters, replacement of non-recording meters etc.

The Matter of monitoring of revenue realization is a routine administrative function to be done at the Corporate level by MD and the Director Finance / Financial Advisers. Hence, the Commission decides not to pursue the directive hereafter.

7. Directive on Prevention of Electrical Accidents:

On a review of the electrical accidents that have taken place in the State during the past years, it is seen that the major causes of the accidents are due to snapping of LT / HT lines, accidental contact with live LT / HT / EHT lines / equipment in the streets, live wires hanging around the electric poles / transformers, violation / neglect of safety measures, lack of supervision, inadequate / lack of maintenance, etc., posing great danger to human lives.

Considering the above facts, the Commission had directed the CESC to prepare an action plan to effect improvements in its distribution network and implement safety measures to prevent electrical accidents. A detailed division-wise action plan shall be submitted by the CESC to the Commission.

Compliance by CESC:

The details of electrical accidents occurred during FY22 and FY 23 (up to September 2022) are appended below:

Sl no	Year	No of accidents	Departmental		Non - Departmental		Animals	Compensation paid in Rs lakh
			Fatal	Non-Fatal	Fatal	Non-Fatal		
1	2021-22	175	3	19	59	10	84	107.61
2	2022-23 (as on September-22)	144	3	4	42	9	86	34.4

As seen above, non-departmental fatal accidents are high during 2022-23 compared to 2021-22. CESC will initiate awareness programs for public in future days regarding safety in use of safety electricity. In order to prevent electrical accidents and spread awareness about safety and conservation of energy, following action plan has been initiated in CESC:

- From 07.02.2022 to 14.02.2022, “Arivu Sapthaha” was conducted in all the 267 sections, wherein one of the main agendas was to emphasize the use of safety gear among the field staff.
- As on 31.3.2022, 1392 numbers of hazardous locations in the premises of schools and colleges have been identified and rectified.

- Identifying and rectification of hazardous locations like providing intermediate poles to lengthy spans, replacement of deteriorated service wires/conductors/poles, replacement of lower size conductor by higher size, restringing of loose spans, shifting the transformers and lines which are close to buildings or in dangerous locations etc.
- Proper periodical and preventive maintenance of the distribution system and cutting of tree branches that were being exposed to power lines.
- Providing all safety equipment to Power men and surprise inspection of allocated works on daily basis to check the use of safety equipment by them.
- Conducting safety meetings at section offices, to create awareness among the maintenance staff regarding use of safety equipment and adherence to safety procedures while working on lines like earthing on both sides of "working zone", use of hand gloves, insulated tools etc.
- Notices are being issued to consumers, those who are violating the rules while constructing the buildings that are nearer to the distribution network and to ensure proper clearances before servicing of new installations.
- Educating the consumers regarding the safety precautions to be taken by them to avoid accidents, through media, interaction meetings, highlighting the issues of conservation of energy and prevention of electrical accidents on the reverse of the monthly electricity bill.
- Displaying hoardings on safety aspects at all district Head Quarters and all offices of CESC.
- CESC has taken up feeder maintenance works in which 67 number of feeder maintenance works have been completed at an amount of Rs 8 crores and works to an extent of Rs 13.07 crore for 41 feeders will be completed by the end of FY-23.

Further, CESC has taken up the work of providing covered conductor in hazardous locations for 1815 kms at a cost of Rs 38.26 crore under which already 1390 kms of works have been completed as on April-22 and remaining work will be completed by the end of FY-23.

In its replies to preliminary observations, CESC has stated that:

The details of hazardous locations as on FY22 is as follows;

Opening Balance as on 31.3.2021	Identified (April-21 to March-22)	Rectified (April-21 to March-22)	Yet to be rectified as on 31.03.2022
17	17062	17076	3

- 175 number of accidents occurred during FY-22. When compared to FY21 there is reduction in accidents by 19 numbers.
- Non-departmental fatal accidents are high during 2022-23 compared to 2021-22 even after conducting several awareness program for public.
- Most of the accidents have happened due to negligence of the public while carrying out their work in close vicinity of distribution network. Further, in order to reduce the departmental/Non-departmental accidents, CESC has planned to carryout E&I work such as re-conductoring works, providing intermediate poles, Link Lines etc.
- Awareness to the consumers is given in interaction meetings, Vidhyuth Adalath, janasamparka sabha, media etc.
- On every Monday O&M Staff/Power men are taking OATH on safety while working on lines.

Commission's Views:

The Commission notes that the CESC has taken several remedial measures to improve its distribution network and also has taken up programmes to create awareness and to educate the field staff as well as public about the electrical safety measures. However, despite all these measures taken by the CESC, the rate of fatal electrical accidents involving human, animal and livestock is on an increase, which is a matter of serious concern. Going by the rectification works taken up by CESC to minimize the accidents, the accidents especially involving fatal should have been reduced or minimized. As on September 2022, reported fatal electrical accidents involving departmental and non-departmental personnel is 45 which is on higher side. CESC needs to take stringent measures to attend to the hazardous installations which are the main cause for occurrence of accidents. From the details of identification, rectification of hazardous locations submitted by CESC in its compliance to the preliminary observations, it is seen that still hazardous locations are remaining unattended. CESC has not furnished any action plan for rectification of the these identified and remaining hazardous locations to be identified.

The increase in number of electrical accidents indicates that there is an urgent need for further identification and rectification of hazardous installations, regularly. Therefore, the CESC should continue to focus on identification and rectification of all the hazardous installations in the distribution network including streetlight installations / other electrical works which are under the control of local bodies to prevent electrical accidents. CESC should also continue to take up awareness campaigns through visual / print media on safety aspects relating to electricity among public.

The Commission is of the view that, CESC should continue to carry out more effective periodical maintenance works, provide and install LT protection to distribution transformers, and also ensure use of safety tools & tackles by the field-staff, besides imparting necessary training to the field-staff at regular intervals. CESC should direct the field staff to ensure that the earth leakage circuit breakers (ELCB) are installed by the consumers as per the safety code/regulations while availing service to prevent accidents due to internal faults.

Further, the Commission notes that the existence of hazardous installations in the distribution network is because of the sub-standard works carried out without adhering to the best and standard practices in construction / expansion of the distribution network. To ensure quality in execution of the works conforming to the standards is the need of the hour to prevent any untoward incidents to public from the failure of equipment / snapping of conductors etc. CESC needs to carryout preventive maintenance works as per pre-arranged schedule as per the Safety Technical Manual issued by the Commission to keep the network equipment in healthy condition besides conducting regular safety audit of its distribution system. CESC should also take up regular inspection of consumer installations especially IP sets, pump houses, cow sheds and buildings under construction to identify hazardous installations, educate the consumers about likely hazards and persuade them to take up rectification of such hazardous installations.

Therefore, the Commission, reiterates its directive that the CESC shall continue to take adequate measures to identify and rectify all the hazardous locations / installations existing in its distribution system under action plan to prevent and reduce the number of electrical accidents occurring in its distribution system. Further, it shall also focus on rectifying hazardous consumer installations. Any lapse on the part, the concerned officers / officials should entail them to face disciplinary action.

CESC shall submit an action plan for reducing the accidents in its area and the details of envisaged programmes to create awareness and to educate the field staff and public about the electrical safety measures. The compliance thereon shall be submitted to the Commission on quarterly basis, regularly.

APPENDIX-1

Statement showing the Tariff related objections of the stakeholders/public on the Tariff Application of CESC

<table>
<tr><th>Objections</th><th>Replies by CESC</th></tr>
<tr><td>1. The hike in power tariff proposed is not correct even though it is attributed to increase in power production and procurement.

Minimize transmission losses and also costs on other overheads including human resources. Increase in power tariff is causing cascading effect to general public as they have to bear the burden passed by commercial and industrial establishment due to increase in tariff.

The power tariff increase to be a fixed term of 2/3 years. The State Govt. to bear increase in overhead cost and also to absorb the losses.

The objector suggested to look for other avenues/sources for raising the revenue and to balance the increase in cost and not to consider the proposal of tariff revision in the interest of larger public interest.</td><td>The tariff hike for FY-24 is proposed in order to bridge the gap (Rs.1049.74 crores) between the total Annual Revenue Requirement (Rs.6622.48 crores) and the total revenue realization in exiting tariff (Rs.5572.74 crores).
The major portion of the proposed annual revenue requirement i.e., 70.52% is attributed to power purchase, whereas the remaining includes the operation & Maintenance costs, depreciation, interest & financial charges etc.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by CESC is noted. This has been dealt with in the relevant chapter of this Tariff Order.</td></tr>
<tr><td>2.Violation of the Companies Act, 2013: The application is supported by an affidavit sworn by General Manager (Commercial), and hence, the same should not be considered, in the absence of production of due authorization granted by the Board of the applicant to the deponent and without filing any document showing the approval of the impugned application by the Board of the applicant.

The impugned application without due approval of the Board of the applicant and without duly stamped proper authorization cannot be entertained.</td><td>As per the resolution of the 77th meeting of the Board of Directors of CESC held on 16th January 2020, the General Manager (Commercial) is authorized to sign the affidavits to be filed before the Hon'ble KERC.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by CESC is noted. The objectors should verify all the facts submitted by the licensees before making such observations, as the same is being raised every year.</td></tr>
</table>

3. CESC submitted the proposal for revision in fixed/ Demand charges at 147.2% which is a burden on manufacturing units. CESC has revised the FAC charges at Rs.0.53/unit from November-2022 to March-2023. The present proposal of increase in additional SC, Cross subsidy and fixed charge will be a big blow to manufacturing sector and also may result in HT consumer going out of the grid.	In order to encourage & incentivize the HT consumers, several incentive schemes viz., Special Incentive Scheme, Discounted Energy Rate Scheme, rebate under ToD tariff is introduced to attract HT consumers. Under Special Incentive Scheme, any excess energy consumed by the eligible consumers during the non-peak period between 10.00 Hours and 18.00 Hours, over and above the average base consumption as arrived at, shall be allowed a discount of Rs.1.00 per unit in the bill, to the eligible consumers. Further, the eligible consumers are allowed an incentive of Rs.2.00 per unit in the bill for the energy consumed during the period between 22.00 Hours and 6.00 Hours as against the normal ToD rebate of Rs.1.00 per unit. Under Discounted Energy Rate Scheme, any energy consumed by the eligible consumers during the monsoon / off season period, (July - December) over and above the monthly average base consumption, as arrived at, shall be allowed at a discounted energy charges at Rs.6 per unit. Under ToD tariff, the penalty of Rs.1.00 per unit, for Morning peak usage between 06:00 hrs & 10:00 hrs has been withdrawn. For usage between 18:00 hrs to 22:00 hrs, from July to November (monsoon period) penalty is withdrawn. For usage between 22:00 hrs to 06:00 hrs, from July to November (monsoon period) penalty is withdrawn. Many of the HT Consumers have availed these benefits. CESC in its proposal for tariff revision for FY-24 has proposed a considerable decrease in the energy charges for HT-2(a) tariff. There is a decrease of 115 paise per unit & 140 paise per unit for first 1 lakh units & balance units respectively.
Commission's Views: The reply furnished by CESC is noted. The tariff, CSS and ASC is discussed in the relevant chapter.	

4. As per Regulation 2.7.1 of MYT Regulations 2006, an application for determination of Tariff for any financial year shall be made not less than 120 days before the commencement of such financial year. This should have been filed on or before 30th Nov 2022 which has not been done. (Done on 03-01-2023). On this count, this Application is not maintainable.	CESC has filed the application on 29.11.2022 for approval of Annual Performance Review for FY22 and approval of Annual Revenue requirement/ Expected Revenue from Charges for Tariff revision for FY-24 under Section 61 & 62 of the Electricity Act 2003 read with relevant Regulations of KERC (Tariff) Regulations including KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006.
Commission's Views: The reply furnished by CESC is noted.	
5. The CESC has filed application for APR allegedly based on audited accounts, without filing the audited accounts with Statutory Auditor's Report and CAG Audit Report. The said document is also not available in the website of the applicant also.	CESC has submitted the audited accounts to the Commission. The said document is available in the official website of CESC https://cescmysore.karnataka.gov.in.
Commission's Views: The reply furnished by CESC is noted.	
6. For determination of cross subsidy, Act / Regulations has not been followed by the applicant in its impugned application and the same is liable to be rejected. The Commission also has not framed any regulation as provided under third proviso to sub-section (2) of Section 42 of the Electricity Act, 2003, with regard to the manner In which the cross subsidy surcharge and cross subsidy is going to be reduced. The applicant cannot take advantage of the failure of this Commission to frame appropriate regulation for reduction of Cross subsidy, at the cost of its consumers. More importantly the Cross subsidy surcharge can be levied only on the energy wheeled as per law.	The Commission has determined Cross Subsidy Surcharge vide Tariff Order 2015 to all open access / wheeling transactions in the area coming under CESC and is calculated based on the actual realization rate and adopting the surcharge formula as specified in the Tariff Policy 2016. Based on the similar lines, Cross Subsidy Surcharge to all open access / wheeling transactions in the area coming under CESC Mysuru for FY 24 is calculated. The details are available in the page no 183 to 185 of the subject application.
Commission's Views: The Commission notes the reply submitted by CESC. The cross-subsidy levels as per cost to serve, are being indicated in the Annexure to the Tariff Order. The CSS is being computed as per KERC OA Regulations.	
7. The Grid Support Charges (GSC) is leviable on the utilization of the grid system and NOT distribution system. In Karnataka, the grid system is managed by SLDC, which is currently operated by KPTCL. Hence, ESCOMs are not competant to propose to levy GSC.	CESC has 42 captive consumers as on 31.03.2022 and 44 captive consumers as on Oct-22 who are utilizing the CESC grid. CESC has proposed Grid Support Charges/Parallel operation charges for these consumers. The detailed write-up and calculations in this regard is furnished

in the page.152 to 159 of the said application.

Commission's Views: The Commission has taken note of the reply furnished by the CESC. Grid support charges shall be as determined by the Commission and as applicable as per the Orders.

8. The CESC proposed a hike in tariff for all category of consumers' category, irrespective of their projected revenue requirement and also proposed a hike in Fixed Charges. The applicant has not made out any case for tariff hike in the impugned petition. If the objection raised against the impugned application is rightly appreciated, the impugned application cannot be of worth considering at all. Alternatively, the applicant has projected highly unreasonable and exorbitant revenue requirement in all counts and a very conservative estimation of revenue, which leads to large revenue gap, for making out a case for proposed tariff hike.

The structuring of the fixed and variable components of tariff is not reflective of the actual proportion of fixed and variable cost liability of CESC.

Revenue expenditure can be divided into two parts:

- Fixed expenditure contributing 58% of the total cost and
- Variable expenditure contributing 42% of the total cost.

Breakup of Fixed and variable charges approved and actual as per accounts for FY-22 is tabulated below:

Particulars	Approved			Actual		
	Fixed	Variable	Total	Fixed	Variable	Total
Generation (Rs in Crs)	979.87	2223.44	3203.31	890.41	2335.48	3225.89
Transmission (Rs in Crs)	801.81		801.81	801.81		801.81
Distribution (Rs in Crs)	1175.57		1175.57	1562.40		1562.40
Total	2957.25	2223.44	5180.69	3254.62	2335.48	5590.10
Sales in MU			6811.72			6684.2
Composition per unit cost (Rs./unit)	4.34	3.26	7.61	4.78	3.43	8.21
	57%	43%	100%	58%	42%	100%

The revenue realisation through retail power tariff should have been in the above proportion. However, the revenue earned by CESC (based on approved tariff) from tariff comprise of Fixed cost recovery is at 13% and Variable cost collected is 87% of the total receipt.

Breakup of fixed/demand charges and Energy charges received for FY-22 is tabulated below:

Particulars	FY-22		
	Fixed/Demand charges	Energy charges	Total
LT-Consumers	412.19	3105.20	3517.39
HT-Consumers	208.19	1014.98	1223.17
Misc.		133.63	133.64

Total	620.38	4253.82	4874.20
	13%	87%	

Since the fixed charges recovered are inadequate, CESC has to borrow some amount to meet its working capital requirements to discharge its fixed liabilities. Increasing tariff by increasing energy charges instead of fixed/ demand charges would result in steep fluctuations in revenue with varying consumption over time. It would also affect CESC ability to meet the fixed charges obligation.

Demand charges per KVA per month (Existing based on FY-22):

7	No. Of Con-Sumers	Con-Sumption In Mu	Rate (Rs./kVA/HP)	Demand Charges in Crs	Energy Charges in Crs	Total	ARR	Energy Charges Rs./Unit
HT1	192	497.33	250	52.02	253.64	305.66	6.15	5.10
HT2A	1244	754.19	265	115.27	561.95	677.22	8.98	7.45
HT2B	855	103.87	290	20.87	101.73	122.6	11.80	9.79
HT2C	352	53.42	260	8.89	43.32	52.21	9.77	8.11
HT3	124	130.65		9.03	44.05	53.08	4.06	3.37
HT4	41	4.17	175	0.58	2.83	3.41	8.18	6.79
HT5	52	6.13	325	1.53	7.46	8.99	14.67	12.17
Total	**2860**	**1549.76**		**208.19**	**1014.98**	**1223.17**		
% of Recovery of Fixed and Energy components				**17%**	**83%**			

CESC has requested the Commission to increase the demand charges at least for the HT consumers. This will not only help CESC to charge reflective proportion of fixed cost but also helps in developing the competence to participate in the open market to attract the consumers.

<table>
<tr><td colspan="2">Commission's Views: The reply furnished by the CESC is noted. The Commission considers the interest of the consumers as well as the ESCOMs in a balanced manner and determines the charges in the Tariff Order, in terms of the MYT Regulations. The matter is addressed in the relevant chapter.</td></tr>
<tr><td>9.Demand Charges from IP Sets, BJ & KJ Consumers are not fixed which is opposed to the scheme of the Act and tariff principles. If fixed charges are fixed by the Commission, there will be no need for collecting any other additional charge from any other consumer category.</td><td>The tariff for LT-1 (BJ/kJ) and LT-4(a) (IP sets under 10HP) is already on the higher side. The details are as following:
<table><tr><th>Tariff category</th><th>Type of consumers</th><th>Existing energy charges (Rs per unit)</th></tr><tr><td>LT1</td><td>Bhagyjyothi/ Kutira jyothi</td><td>8.11</td></tr><tr><td>LT4(a)</td><td>IP sets upto and inclusive of 10HP</td><td>6.40</td></tr></table>
CESC abides by the orders/directions of the Commission & Government of Karnataka in this regard.</td></tr>
<tr><td colspan="2">Commission's Views: This has been dealt in the relevant chapter of this Tariff Order.</td></tr>
<tr><td>10. The CESC in its new proposal, has proposed to discontinue the Special Incentive Scheme (SIS).
Limiting the Discount Energy Rate Scheme (DRES) only to the Exclusive Consumers is violation of Open Access principles. The Licensee cannot discriminate the consumers based on their opting for Open Access.
The CESC cannot insist on the undertaking from any consumers that they shall not opt for Open Access agreements from any consumers. Such an undertaking is illegal and against the provisions of the Contract Act, 1872 and Electricity Act, 2003. This Compulsion is opposed to the law declared by APTEL in Appeal No. 92 of 2021 in the case of Srikalahasti pipes Limited V. APSLDCL</td><td>The objective of the SIS was to bring back the open access consumers to CESC grid. This scheme was implemented as per the Tariff Order 2018 dated: 14.05.2018. In CESC's jurisdiction, till date there are only 09 consumers under this scheme and thus objective of the scheme is not served. Hence CESC has proposed to not to continue the scheme.

In view of the surplus power situation, the discounted energy rate scheme (DERS) is introduced by the KERC to sell the surplus power at a rate of Rs.6.00 per unit to HT-2(a), HT-2(b) & HT-2(c) with the condition that the consumer shall not avail supply from open access.</td></tr>
<tr><td colspan="2">Commission's Views: This has been dealt in the relevant chapter of this Tariff Order.</td></tr>
<tr><td>11. The CESC has not depicted the level of cross subsidization from other categories of consumers and Subsidy from the GoK.</td><td>The details of the category-wise cross subsidy calculation is furnished in the page no.183 to 185 of the subject application.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by CESC is noted.</td></tr>
<tr><td>12. The applicant not shown any sums as wheeling charges and Cross subsidy surcharges in FY 22 (Form D2). The applicant has shown zero revenue as wheeling charges for FY-22 and FY23 also. This zero revenue from</td><td>Hon'ble Commission has determined Cross Subsidy Surcharge vide Tariff Order 2015 to all open access / wheeling transactions in the area coming under CESC Mysuru and is calculated based on</td></tr>
</table>

wheeling charges and Cross subsidy surcharges requires deeper investigation, by the Commission. The proposal for cross subsidy surcharge is not in accordance with the formula.	the actual realization rate and adopting the surcharge formula as specified in the Tariff Policy 2016. Based on similar lines, Cross Subsidy Surcharge to all open access / wheeling transactions in the area coming under CESC for FY 24 is calculated. The details are in the page no 183 to 185 of the said application.
Commission's Views: The reply furnished by CESC is noted. CSS is being computed as per the KERC OA Regulations, and the CSS for FY22 and FY23 is already determined in the previous Orders.	
13. The applicant has not disclosed any plan for introduction of pre-paid meters as provided under Section 47(5) of the Act. If power supply through pre-paid meters is introduced by the applicant, the consumers who are requiring the supply is prepared to take the supply through a pre-payment meter would not be required to give security deposit on the power supplied and also would get back the security deposit already deposited, as provided under Section 47(5) of the Act. Since the applicant has not arranged for supply through pre-payment meters, even after 15 years from coming into force of that provision, the applicant should not be allowed to take advantage of its own lapses. Hence, a direction may be issued to the applicant to adjust the future bills of those consumers, who are requiring the supply is prepared to take the supply through a pre-payment meter with that of existing security deposits, even if the applicant is not in a position to supply power through pre-payment meters for the time being. The impugned application is silent about it. The applicant has not looked into other avenues for better utilization of its assets like license fee for using its poles for fixing cables of TV networks etc for getting additional income.	CESC has taken steps to provide prepaid meters to temporary installations duly collecting the meter rental charges as per order of the Commission on 30.01.2018 in the petition filed before the Commission vide OP No 89/2017. During the implementation of Central Government's RDSS project, smart prepaid meters will be provided to other categories. CESC will abide by the orders of the Commission in this regard.
Commission's Views: The CESC is directed to install prepaid meter as per the Order of the Commission issued from time to time.	
14. It is submitted that Applicant has proposed an exorbitant increase in case of Temporary Tariff. Hence, in view of the permanent category treatment accorded to the Temporary	CESC has proposed to merge the LT7(b) tariff category i.e., Tariff activities such as Hoardings & Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the

Categories, creation of separate category with exorbitant tariff may be discontinued.	interest of public such as Police Canopy Direction boards, and other sign boards sponsored by Private Advertising Agencies /firms on permanent connection basis to LT-3 tariff category, as the installations are commercial in nature.
Commission's Views: This has been dealt in the relevant chapter of this Tariff Order.	
15. The clubbing of wheeling Charges for renewable and non-renewable energy sources has been entirely rejected by this Hon'ble Commission in the previous tariff orders. Hence, the proposal of the applicant is untenable. The applicant has claimed the aggregate of T&D Losses including the auxiliary consumption from SRTPV Systems. There is no segregation of losses-voltage wise. Hence, the methodology of computation of wheeling Charges is flawed and merits rejection.	The Commission vide Order dated 18-08-2014 has retained the Wheeling charges at 5% of the injected energy for wind, mini-hydel, bagasse based co-generation plants and Biomass based projects and Banking Charges at 2% of the injected energy applicable to wind and mini-hydel projects. In addition, Hon'ble Commission vide order dated 14.05.2018 has ordered to collect 25% of the normal transmission charges in cash as determined by the Commission in its tariff orders from time to time for using the network of the transmission licensee/ distribution licensee as the case may be. The above order was set aside by the High Court of Karnataka and APTEL orders. The order was remanded back to KERC for reconsideration. However, BESCOM with other ESCOMs has filed an appeal against the High Court of Karnataka and APTEL orders in the Supreme Court of India. The distribution network costs to HT and LT networks for determining wheeling charges is done in the ratio of 30:70, based on the projected ARR for distribution business and sales for FY-24.
Commission's Views: The reply furnished by the CESC is noted. The wheeling charges are discussed in the relevant chapter.	
16. There are no regulations framed by the Commission for levy of Additional Surcharge. Hence, the same cannot be levied. Moreover, the Commission has exempted the green energy projects from the levy of Additional Surcharge, hence, the same cannot be levied on other consumers by causing hostile discrimination.	CESC has determined the additional surcharge by allocating the total fixed charges of power purchase to EHT and HT consumers in proportion to their input energy. CESC while computing the Additional Surcharge has excluded the KPTCL transmission Charges & SLDC charges and the distribution network cost, as these charges are being recovered from the open access consumers for the

	use of transmission and distribution network. Further, CESC has also considered the fixed cost associated with the retail supply business allocated to EHT and HT consumers in proportion to their energy sales. The total Fixed Charges excluding KPTCL transmission charges, SLDC charges and Distribution network charges is considered for computation of Additional surcharge for EHT and HT consumers. The additional surcharge recoverable from the consumers of CESC for FY-24 is worked as Rs.1.66/unit
Commission's Views: The KERC open access Regulations specify that ASC as determined by the Commission from time to time shall be applicable. Accordingly, the Commission is determining ASC in its tariff orders. Thus, the contention that Regulations does not specify ASC is not correct.	
17. The CESC's report about compliance of directives are poor and no tangible results have come out, so far. The quality of power supply to rural areas has deteriorated further, during the current year. On these aspects the ERC and Tariff filings, under objection are defective and liable to be dismissed as not maintainable.	The statement of the tariff subsidy is enclosed as Annexure 6 vide page no. 367 of the subject application. The compliance to the directives are furnished in the page no. 104 to 139 of the subject application.
Commission's Views: The compliance of the directives submitted by the CESC is discussed in the relevant Chapter of this Tariff Order.	
18. CESC should have clearly indicated steps taken for improvement of efficiency since the date of previous order and earlier orders issued by Hon'ble Commission indicating the efficiency gains of CESC, which could be ultimately transferred to the consumers proportionately. Commission in its Tariff Order 2022 has clearly commented that CESC should provide a brief note on steps taken to improve the Efficiency in the Tariff revision application. It is not done by CESC. In the absence of any specific gains the application is not maintainable.	CESC Mysuru has taken much effort for the improvement of the system through various projects such as NJY, DDUGJY, IPDS, Belaku Grama Yojana, Model Sub-Division, and other E&I work. Up to FY-22, infrastructure of 1,64,018 distribution transformers, 67975.94 R kms of HT lines & 92593.66 R kms of LT lines are commissioned to provide quality & reliable power supply to the consumers.
Commission's Views: : The reply furnished by CESC is noted.	
19. The HT consumption has come down from FY22. Hence, any additional purchase goes to IP sets and HT consumers are made to pay for this additional purchase. This results in greater increase in HT tariff. Hence, HT consumers are leaving Grid and opting for private purchase.	The total HT sales for FY-21 is 1285.05 MU and for FY-22 is 1549.76 MU, this indicates the growth in HT sales. CESC in its proposal for tariff revision for FY-24 has proposed a considerable decrease in the energy charges for HT-

In order to prevent HT consumers leaving the Grid, tariff of HT consumers should be reduced by at least 100 paise per unit.	2(a) tariff. There is a decrease of 115 paise per unit & 140 paise per unit for first 1 lakh units & balance units respectively.
Commission's Views: The reply furnished by CESC is noted. DERS and SIS scheme to attract HT consumers, is discussed in the relevant chapter	
20. As per the tariff policy any tariff to be fixed should be within +/-20 % of cost to serve. CESC has not submitted "cost to serve" to the Commission. in case of HT 2 (a) category cost to serve should be worked out. Hence, this Tariff Application should be rejected.	The details have been furnished in Formats D23 A (Actuals for FY-22), D23 B (Estimated for FY-23), D23 C (Projected for FY-24) in the subject application.
Commission's Views: The reply furnished by CESC is noted. The cross subsidy levels for various categories is indicated in the relevant annexure of the order.	
21. As per section 23 of the Act, load shedding should be done with the approval of KERC. Unscheduled load shedding's have adversely affected the Industries. KERC should take appropriate action in this regard. For planned maintenance, it should be given to the newspapers at least 24 hours before, which is not done. In such cases, CESC should resort to Spot purchase of power through Energy Exchanges, which is not done. CESC is resorting to load shedding without the approval of KERC and without making alternate arrangements. This is a clear violation.	The load restrictions are being done only as a last resort in the identified specific stations and feeders when there is shortage of availability of power and to maintain grid discipline. Scheduled interruptions are being brought to the notice of the public by publishing the same in newspapers well in advance and also Consumers are intimated via SMS. CESC Mysuru is ensuring that power supply is being arranged as per the directions of GoK.
Commission's Views: The reply furnished by CESC is noted.	
22. Average cost of supply is Rs.7.86 per Unit. But IP sets are charged only Rs.3.90 per Unit. GoK should pay the difference as subsidy. But it is recovered from other consumers through cross subsidization.	As approved in Tariff Order-2021, the average realization for FY 22 is Rs.7.61 per Unit. For the BJ/KJ Consumer up to 40 units and IP sets Consumers upto 10HP the rates are claimed as per the Commission determined Tariff ie., for BJ/KJ up to 40 units is charged at Rs. 8.11 per unit and IP sets upto 10 HP is charged at Rs.6.40 per unit. The Subsidy bills are submitted to GOK on regular basis for which GOK releases the subsidy. The details of Subsidy is already submitted in Page No. 27 to 29 of the application for Annual Performance Review of FY-22.
Commission's Views: The reply furnished by CESC is noted. The tariff for BJ/KJ and IP Sets is discussed in the relevant chapter.	
23. Commission has directed CESC to achieve HT/LT ratio of 1:1. In this tariff petition, the ratio is 1:1.36. CESC has not brought down this ratio.	Over the past years, CESC has commissioned 67975.94 R kms of HT lines & 92593.66 R kms of LT lines and hence the

<table>
<tr>
<td>Approved distribution losses was 10.75%. But actual AT&C loss is much more than that HVDS is not done. HT:LT ratio is not reduced. There are no honest efforts for reducing the losses.</td>
<td>HT:LT ratio is constantly reduced. Details are mentioned below:
<table>
<tr><td>Particulars</td><td>FY-14</td><td>FY-15</td><td>FY-16</td><td>FY-17</td><td>FY-18</td><td>FY-19</td><td>FY-20</td><td>FY-21</td><td>FY-22</td></tr>
<tr><td>HT:LT ratio</td><td>1:1.95</td><td>1:1.76</td><td>1:1.69</td><td>1:1.53</td><td>1:1.52</td><td>1:1.47</td><td>1:1.42</td><td>1:1.38</td><td>1:1.36</td></tr>
</table>

HVDS works were discontinued as per the direction of KERC vide tariff order FY-19 and FY-20.
As against the approved distribution loss of 10.75% for FY-22, CESC has achieved distribution loss of 10.40%. CESC is extending all efforts to reduce the losses and to provide quality power supply to all consumers.</td>
</tr>
<tr>
<td colspan="2">Commission's Views: The reply furnished by CESC is noted. ESCOMs are being penalized if the loss target set by the Commission is not achieved. Further, the Commission has directed ESCOMs not to take up HVDS, until further orders, keeping in view the CAPEX in mode.</td>
</tr>
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<td>24. 01/04/2022 ರಿಂದ ಇಂದಿನವರೆಗೆ ಎಲ್.ಟಿ.5 ಸಂಪರ್ಕದ ಎಷ್ಟು ಸಂಖ್ಯೆಯ ಸೂಕ್ಷ್ಮ ಮತ್ತು ಸಣ್ಣ ಕೈಗಾರಿಕೆಗಳಿಗೆ 50 ಪೈಸೆ ರಿಯಾಯಿತಿ ಸೌಲಭ್ಯ ಚೆಸ್ಕಾಂ ನೀಡಿದೆ ಮತ್ತು ಎಷ್ಟು ಮೊತ್ತ ರಿಯಾಯಿತಿ ನೀಡಿದೆ. ಅರ್ಜಿ ಸಲ್ಲಿಸಿದ ಎಷ್ಟು ದಿನಗಳಲ್ಲಿ ಈ ಸೌಲಭ್ಯ ದೊರೆತಿದೆ. ಈ ಸೌಲಭ್ಯದ ಬಗ್ಗೆ ಪತ್ರಿಕಾ ಪ್ರಕಟಣೆ, ಸಾರ್ವಜನಿಕ ಪ್ರಕಟಣೆ, ಎಸ್. ಎಂ. ಎಸ್ ಮತ್ತು ಮಿಂಚಂಚೆ ಸಂದೇಶ ನೀಡಿದಲ್ಲಿ ಅದರ ಪ್ರತಿಯನ್ನು ನಮಗೆ ಕೊಡಲು ಸೂಚಿಸುವುದು</td>
<td>ಸಣ್ಣ ಮತ್ತು ಅತೀ ಸಣ್ಣ ಕೈಗಾರಿಕಾ ಸ್ಥಾವರಗಳಿಗೆ ವಿದ್ಯುತ್ ಬಳಕೆ ಶುಲ್ಕದಲ್ಲಿ ಪ್ರತಿ ಯೂನಿಟ್ಟಿಗೆ 50 ಪೈಸೆಯಂತೆ ರಿಯಾಯಿತಿ ನೀಡುವಾಗ ಅನುಸರಿಸಬೇಕಾದ ಕ್ರಮಗಳ ಬಗ್ಗೆ ಈ ಕಛೇರಿ ಸುತ್ತೋಲೆ ಸಂಖ್ಯೆ ಸಿವೈಎಸ್-500 ದಿ: 05.07.2022ರಲ್ಲಿ ತಿಳಿಸಲಾಗಿರುತ್ತದೆ (ಪ್ರತಿಯನ್ನು ಅನುಬಂಧ-1ರಲ್ಲಿ ಲಗತ್ತಿಸಲಾಗಿದೆ).
ಮುಂದುವರೆದು, ಸದರಿ ಸೌಲಭ್ಯದ ಬಗ್ಗೆ ನಿಗಮ ಕಛೇರಿಯ ಸಾರ್ವಜನಿಕ ಪ್ರಕಟಣೆ: ಚಾವಿಸನಿನಿ/ ಪ್ರವ್ಯ(ವಾ)/ಉಪ್ರವ್ಯ(ನಿವ್ಯ-1)/ಸಪ್ರವ್ಯ(ನಿವ್ಯ-1)/2022-23/621 ದಿ: 12.04.2022ರ ಕಂಡಿಕೆ 07ರಲ್ಲಿ ಈ ಕೆಳಗಿನಂತೆ ಪ್ರಕಟಿಸಲಾಗಿದೆ.

"ಸಾಂಕ್ರಾಮಿಕ ಕೋವಿಡ್-19ರ ಕಾರಣದಿಂದಾಗಿ ಸೂಕ್ಷ್ಮ ಮತ್ತು ಸಣ್ಣ ಪ್ರಮಾಣದ ಕೈಗಾರಿಕೆಗಳು ಎದುರಿಸುತ್ತಿರುವ ಆರ್ಥಿಕ ಬಿಕ್ಕಟ್ಟನ್ನು ತಗ್ಗಿಸಲು ಕರ್ನಾಟಕ ಸರ್ಕಾರವು ಪ್ರಮಾಣಿಕರಿಸಿರುವ ಅಂತಹ ಎಲ್.ಟಿ-5(ಎ) ಮತ್ತು ಎಲ್.ಟಿ-5(ಬಿ) ವರ್ಗದ ಸ್ಥಾವರಗಳಿಗೆ, 12 ತಿಂಗಳ ಅವಧಿಯ ವಿದ್ಯುತ್ ಬಳಕೆ ಶುಲ್ಕದಲ್ಲಿ ಪ್ರತಿ ಯೂನಿಟ್ಟಿಗೆ 50 ಪೈಸೆಯಂತೆ ರಿಯಾಯಿತಿಯನ್ನು ನೀಡಲಾಗಿದೆ" ಎಂದು ಸಾರ್ವಜನಿಕ ಪ್ರಕಟಣೆಯಲ್ಲಿ ತಿಳಿಸಲಾಗಿರುತ್ತದೆ (ಪ್ರತಿಯನ್ನು ಅನುಬಂಧ-2ರಲ್ಲಿ ಲಗತ್ತಿಸಲಾಗಿದೆ).

ಚಾವಿಸನಿನಿಯ ಬಿಲ್ಲಿಂಗ್ ತಂತ್ರಾಂಶದಲ್ಲಿ ಅರ್ಹ ಎಂಎಸ್ಎಂಇ ಗ್ರಾಹಕರಿಗೆ 50 ಪೈಸೆ</td>
</tr>
</table>

	ರಿಯಾಯಿತಿಯನ್ನು ನೀಡಲು ವ್ಯವಸ್ಥೆ ಮಾಡಲಾಗಿದ್ದು, ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ದೃಢೀಕೃತ ಎಂಎಸ್ಎಂಇ ಪತ್ರ ಸಲ್ಲಿಸಿರುವ ಎಂಎಸ್ಎಂಇ ಗ್ರಾಹಕರಿಗೆ ಈಗಾಗಲೇ ಸೌಲಭ್ಯವನ್ನು ವಿಸ್ತರಿಸಲಾಗಿದೆ. ಮುಂದುವರೆದು, ಅವಶ್ಯ ದಾಖಲಾತಿಗಳನ್ನು ತಮ್ಮ ಸ್ಥಾವರ ವ್ಯಾಪ್ತಿಯ ವಿದ್ಯುತ್ ಉಪ-ವಿಭಾಗಗಳಿಗೆ ಒದಗಿಸುವ ಗ್ರಾಹಕರುಗಳಿಗೆ 50 ಪೈಸೆ ರಿಯಾಯಿತಿ ಸೌಲಭ್ಯವನ್ನು ವಿಸ್ತರಿಸಲು ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುತ್ತಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಆಯೋಗವು, ಸೆಸ್ಕ್ ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಗಮನಿಸಿದೆ.	
25. ಕೇಂದ್ರ ಸರ್ಕಾರದ ಕರೋನ ಅವಧಿಯ 2 ತಿಂಗಳ ಕಡ್ಡಾಯ ಶುಲ್ಕ ವಿನಾಯಿತಿಯೂ ಚೆಸ್ಕಾಂ ಧೋರಣೆಯಿಂದಾಗಿ ಶೇ.20% ರಷ್ಟು ಉದ್ಯಮಿಗಳಿಗೂ ದೊರೆಯಲಿಲ್ಲವೆಂದು ತಿಳಿಸಲು ವಿಷಾದಿಸುತ್ತೇವೆ. ಒಂದು ಮತ್ತು ಎರಡನೆ ಕರೋನ ಅವಧಿಯ ಎರಡು ತಿಂಗಳ ಸಣ್ಣ ಕೈಗಾರಿಕೆಗಳ ನಿಗದಿತ ಶುಲ್ಕ ರಿಯಾಯಿತಿ ಪಡೆದ ಸಣ್ಣ ಕೈಗಾರಿಕೆಗಳು ಮತ್ತು ಮೊತ್ತ ತಿಳಿಯಬಯಸುತ್ತೇವೆ	2020-21ರ ಅವಧಿಯ ಕೋವಿಡ್-19ರ ಲಾಕ್ಡೌನ್ ಸಮಯದಲ್ಲಿ ಚಾವಿಸನಿನಿ ವ್ಯಾಪ್ತಿಯ 1333 ಸಂಖ್ಯೆ ಎಂಎಸ್ಎಂಇ ಗ್ರಾಹಕರಿಗೆ ರೂ.5.22 ಕೋಟಿ ಪರಿಹಾರ/ಪ್ರೋತ್ಸಾಹಕ ಮೊತ್ತವನ್ನು ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಆದೇಶ ಸಂಖ್ಯೆ: ಎನರ್ಜಿ 289 ಪಿಎಸ್ಆರ್ 2020 ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 26.11.2021 ರಂತೆ ನೀಡಲಾಗಿದೆ. 2021-22ರ ಅವಧಿಯ ಕೋವಿಡ್-19ರ ಲಾಕ್ಡೌನ್ ಸಮಯದಲ್ಲಿ ಚಾವಿಸನಿನಿ ವ್ಯಾಪ್ತಿಯ 1462 ಸಂಖ್ಯೆ ಎಂಎಸ್ಎಂಇ ಗ್ರಾಹಕರಿಗೆ ರೂ.7.56 ಕೋಟಿ ಪರಿಹಾರ/ಪ್ರೋತ್ಸಾಹಕ ಮೊತ್ತವನ್ನು ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಆದೇಶ ಸಂಖ್ಯೆ: ಎನರ್ಜಿ/23/ಪಿಎಸ್ಆರ್/2022 ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 21.11.2022 ರಂತೆ ನೀಡಲಾಗಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಸೆಸ್ಕ್ ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಗಮನಿಸಿದೆ.	
26. ಪ್ರಸ್ತುತ ಮನವಿಯೆಂದರೆ 2022 ರ ಆಯೋಗದ 50 ಪೈಸೆ ರಿಯಾಯಿತಿ ಆದೇಶವನ್ನು ಭಾರತ ಸರ್ಕಾರದ ಎಂ.ಎಸ್.ಎಂ.ಇ ಉದ್ಯಮ ನೋಂದಣಿ ಹೊಂದಿರುವ ರಾಜ್ಯದ ಎಲ್ಲಾ ಸೂಕ್ಷ್ಮ ಮತ್ತು ಸಣ್ಣ ಕೈಗಾರಿಕೆಗಳಿಗೆ 01-04-2022 ರಿಂದ ಪೂರ್ವಾನ್ವಯವಾಗುವಂತೆ ಬಳಕೆಯ ಪ್ರತಿ ಯೂನಿಟ್ ಆಯೋಗ ಆದೇಶಿಸುವುದು ಅಗತ್ಯವಾಗಿದೆ.	ಈ ಕುರಿತು ಮಾನ್ಯ ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ನಿಯಂತ್ರಣ ಆಯೋಗದ ಆದೇಶ ಹಾಗೂ ನಿರ್ದೇಶನಗಳಿಗೆ ಚಾವಿಸನಿನಿಯು ಬದ್ಧವಾಗಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಆಯೋಗವು ಹೊರಡಿಸುವ ವಿದ್ಯುತ್ ದರ ಆದೇಶದ ಪ್ರಕಾರ ಅನುಪಾಲನೆಯಾಗತಕ್ಕದ್ದು.	
27. ತಮಿಳುನಾಡು ಮತ್ತು ಗುಜರಾತ್ ನಲ್ಲಿ ಪ್ರತ್ಯೇಕ ಜಕಾತಿಯಿದೆ. ಇದೇ ಮಾದರಿಯಲ್ಲಿ 2023 ರ ವಿದ್ಯುತ್ ದರ ನಿರ್ದರಣೆ ಆದೇಶದಲ್ಲಿ ಎಲ್.ಟಿ..5 ಮತ್ತು ಹೆಚ್. ಟಿ. 2 ಕೈಗಾರಿಕೆಗಳಿಗೆ ಪ್ರತ್ಯೇಕ ಜಕಾತಿ ಸೃಷ್ಟಿಸಿ ಇತರೆ ಕೈಗಾರಿಕೆಗಳಿಗಿಂತ ಶೇ 25 ರಷ್ಟು ಕಡಿಮೆ ವಿದ್ಯುತ್ ದರ ನಿಗದಿಪಡಿಸಬೇಕೆಂದು ವಿನಂತಿ.	ಈ ಕುರಿತು ಮಾನ್ಯ ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ನಿಯಂತ್ರಣ ಆಯೋಗದ ಆದೇಶ ಹಾಗೂ ನಿರ್ದೇಶನಗಳಿಗೆ ಚಾವಿಸನಿನಿಯು ಬದ್ಧವಾಗಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಆಯೋಗವು ಹೊರಡಿಸುವ ವಿದ್ಯುತ್ ದರ ಆದೇಶದ ಪ್ರಕಾರ ಅನುಪಾಲನೆಯಾಗತಕ್ಕದ್ದು.	

28. ಭಾರತ ಸರ್ಕಾರದ 2006 ರ ಎಂ.ಎಸ್. ಎಂ.ಇ ಕಾಯಿದೆಯಲ್ಲಿ ಜಾಬ್ ಟೈಪಿಂಗ್, ಗ್ಯಾರೇಜ್, ಫ್ಲೋರ್ ಮಿಲ್, ಡಿ.ಟಿ.ಪಿ ಸೆಂಟರ್ ಸಾಮಾನ್ಯ ಸೌಲಭ್ಯ ಕೇಂದ್ರ ಇತ್ಯಾದಿ ಸೇವೆ ಆದಾರಿತ ಸಂಸ್ಥೆಗಳನ್ನು ಸೇವಾ ಘಟಕಗಳು ಎಂದು ಭಾರತ ಸರ್ಕಾರ ಉದ್ಯಮ ರಿಜಿಸ್ಟ್ರೇಷನ್ ಪತ್ರ ನೀಡುತ್ತಿದೆ. ಈ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಈ ಎಲ್ಲಾ ಸೇವಾ ಉದ್ಯಮಗಳನ್ನು ವಾಣಿಜ್ಯ ಜಕಾತಿಯಿಂದ ಎಲ್. ಟಿ.5 ಸಿ ಅಥವಾ ಪ್ರತ್ಯೇಕವಾದ ಜಕಾತಿಗೆ ವರ್ಗೀಕರಿಸಲು ಆಯೋಗ ನಿರ್ದೇಶಿಸಬೇಕೆಂದು ಮನವಿ.	ಈ ಕುರಿತು ಮಾನ್ಯ ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ನಿಯಂತ್ರಣ ಆಯೋಗದ ಆದೇಶ ಹಾಗೂ ನಿರ್ದೇಶನಗಳಿಗೆ ಚಾವಿಸನಿನಿಯು ಬದ್ಧವಾಗಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಆಯೋಗವು ಹೊರಡಿಸುವ ವಿದ್ಯುತ್ ದರ ಆದೇಶದ ಪ್ರಕಾರ ಅನುಪಾಲನೆಯಾಗತಕ್ಕದ್ದು.	
29. ಟೈಲರಿಂಗ್ ಶಾಪ್ ಮತ್ತು ಐರನಿಂಗ್ (ಇಸ್ತ್ರಿ)ಉದ್ಯಮಗಳಿಗೆ ಎಲ್. ಟಿ 5 ದರ ವಿದಿಸುವಲ್ಲಿ ಸೆಸ್ಕಾಂ ವಿಫಲ:- ಕಳೆದ 2016 ರ ದರ ಪರಿಷ್ಕರಣೆ ಆದೇಶದಲ್ಲಿ ಟೈಲರಿಂಗ್ ಮತ್ತು ಐರನಿಂಗ್ (ಇಸ್ತ್ರಿ) ಉದ್ಯಮಗಳನ್ನು ನಮ್ಮ ಮನವಿ ಮೇರೆಗೆ ಎಲ್. ಟಿ. 5 ವರ್ಗಕ್ಕೆ ಸೇರಿಸಲಾಯಿತಾದರೂ ದರ ಪರಿಷ್ಕರಣೆ ಆದೇಶದ ಪ್ರಕಟಣೆ ಹೊರತು ಪಡಿಸಿ ಟೈಲರಿಂಗ್ ಮತ್ತು ಐರನಿಂಗ್ (ಇಸ್ತ್ರಿ) ಉದ್ಯಮಗಳಿಗೆ ಮಾಹಿತಿಯನ್ನು ನೀಡದೆ ಈಗಲೂ ವಾಣಿಜ್ಯ ದರ ವಿಧಿಸಲಾಗುತ್ತಿದೆ. ಈ ಲೋಪವನ್ನು ಸರಿಪಡಿಸಿ ಹಿಂದಿನ 2016 ರ ದರ ನಿರ್ದರಣೆ ಆದೇಶ ದಿನದಿಂದ ಎಲ್. ಟಿ 5 ರ ಧರದಲ್ಲಿಯೇ ಬೇಡಿಕೆ ಬಿಲ್ಲುಗಳನ್ನು ಪರಿಷ್ಕರಿಸಿ ವಸೂಲು ಮಾಡಿರುವ ಹೆಚ್ಚುವರಿ ಮೊತ್ತವನ್ನು ಮುಂದಿನ ಪಾವತಿಗಳಿಗೆ ಸರಿದೂಗಿಸಿಕೊಳ್ಳುವಂತೆ ಎಸ್ಕಾಂ ಗಳಿಗೆ ಆಯೋಗ ಆದೇಶಿಸಬೇಕೆಂದು ಈ ಮೂಲಕ ಆಗ್ರಹಿಸುತ್ತೇವೆ.	ಮಾನ್ಯ ಆಯೋಗದ ದರ ಪರಿಷ್ಕರಣೆ ಆದೇಶದಂತೆ, ಪ್ರಸ್ತುತ ಚಾವಿಸನಿನಿಯಲ್ಲಿ ಟೈಲರಿಂಗ್ ಶಾಪ್ ಮತ್ತು ಐರನಿಂಗ್ (ಇಸ್ತ್ರಿ)ಉದ್ಯಮಗಳನ್ನು ಎಲ್. ಟಿ 5 ವರ್ಗದಲ್ಲೇ ಪರಿಗಣಿಸಲಾಗುತ್ತಿದೆ. ಮುಂದುವರೆದಂತೆ ಈ ಉದ್ಯಮಗಳನ್ನು ನಡೆಸುತ್ತಿರುವ ಗ್ರಾಹಕರು ಖುದ್ದು ಸಂಬಂಧಪಟ್ಟ ಉಪವಿಭಾಗಗಳನ್ನು ಸಂಪರ್ಕಿಸಿ ಸದರಿ ಸೌಲಭ್ಯವನ್ನು ಪಡೆಯಬಹುದಾಗಿರುತ್ತದೆ. ಈ ವರ್ಗದ ಗ್ರಾಹಕರು ಜಕಾತಿ ವರ್ಗಾವಣೆಗೆ ಅರ್ಜಿ ಸಲ್ಲಿಸದ ಹೊರತು ಚಾವಿಸನಿನಿಯಿಂದ ಕ್ರಮ ಕೈಗೊಳ್ಳಲು ಸಾಧ್ಯವಿರುವುದಿಲ್ಲ. ಆದುದರಿಂದ ಎಲ್. ಟಿ 5 ಜಕಾತಿ ದರದಲ್ಲಿಯೇ ಬೇಡಿಕೆ ಬಿಲ್ಲುಗಳನ್ನು ಪರಿಷ್ಕರಿಸಿ ವಸೂಲಿ ಮಾಡಿರುವ ಹೆಚ್ಚುವರಿ ಮೊತ್ತವನ್ನು ಮುಂದಿನ ಪಾವತಿಗಳಿಗೆ ಸರಿದೂಗಿಸಿಕೊಳ್ಳಲು ಸಾಧ್ಯವಿರುವುದಿಲ್ಲ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಸೆಸ್ಕ ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಗಮನಿಸಿದೆ .	
30. ಸಾಮಾಜಿಕ ನ್ಯಾಯದ ಆಧಾರದ ಮೇಲೆ ದುರ್ಬಲ ವರ್ಗದವರಿಗೆ ನೀರಾವರಿ ಪಂಪ್ ಸೆಟ್ ಗಳಿಗೆ ರಿಯಾಯಿತಿ ದರದಲ್ಲಿ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಮಾಡಲು ಸರ್ಕಾರ ಮತ್ತು ಚೆಸ್ಕಾಂ ನಿರ್ಣಯಿಸುವುಚು ಸ್ವಾಗತಾರ್ಹ ಆದರೆ ಈ ವರ್ಗಗಳ ವಿದ್ಯುತ್ ದರ ನಿರ್ದರಣೆ ಸೆಸ್ಕಾಂ Cost of supply ಗಿಂತ ಕಡಿಮೆಯಿರಬಾರದು ಚೆಸ್ಕಾಂ ನೀಡಬಯಸುವ ರಿಯಾಯಿತಿಯನ್ನು ಸರ್ಕಾರ ನೇರವಾಗಿ ಗ್ರಾಹಕರ ಖಾತೆಗೆ ಇತರೆ ಸರ್ಕಾರಿ ಯೋಜನೆಗಳ ಸಹಾಯಧನದ ಮಾದರಿ ವರ್ಗಾವಣೆ ಮಾಡುವಂತಾಗಬೇಕು.ಅಥವಾ ವ್ಯತ್ಯಾಸದ ರಿಯಾಯಿತಿ ಮೊತ್ತವನ್ನು ಚೆಸ್ಕಾಂ	ಸರ್ಕಾರದ ಅಡ್ಡ ಸಹಾಯ ಧನವನ್ನು ನಿಗದಿತ ಗ್ರಾಹಕರಿಗೆ ನೇರವಾಗಿ ವರ್ಗಾವಣೆ ಮಾಡುವ ಕುರಿತು ಮಾನ್ಯ ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ನಿಯಂತ್ರಣ ಆಯೋಗದ ಆದೇಶ ಹಾಗೂ ನಿರ್ದೇಶನಗಳಿಗೆ ಚಾವಿಸನಿನಿಯು ಬದ್ಧವಾಗಿದೆ.

<table>
<tr><td>ಸರ್ಕಾರದಿಂದ ಮುಂಗಡ ಪಡೆದು ಗ್ರಾಹಕರಿಗೆ ಪಾವತಿಸಬೇಕು..</td><td></td></tr>
<tr><td colspan="2">ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಸರ್ಕಾರ ನೇರವಾಗಿ ಗ್ರಾಹಕರ ಖಾತೆಗೆ ಇತರೆ ಸರ್ಕಾರಿ ಯೋಜನೆಗಳ ಸಹಾಯಧನದ ಮಾದರಿ ವರ್ಗಾವಣೆ ಮಾಡುವ ಬಗ್ಗೆ ಗ್ರಾಹಕರು ಸರ್ಕಾರದ ಗಮನಕ್ಕೆ ತರತಕ್ಕದ್ದು.</td></tr>
<tr><td>31. ಮಾಪಕ ರಹಿತ ನೀರಾವರಿ ಪಂಪ್ಸೆಟ್ಗಳ ಚೆಸ್ಕಾಂ ವಲಯದಲ್ಲಿರುವ 446535 ನೀರಾವರಿ ಸಂಪರ್ಕಗಳಲ್ಲಿ 2744 ಸಂಪರ್ಕಕ್ಕೆ ಮಾತ್ರ ಮಾಪಕ ಅಳವಡಿಸಿದೆ ಮಾಪಕ ರಹಿತ ಪಂಪ್ ಸೆಟ್ ಗಳ ಬಳಕೆ 2936.27 ಮಿ.ಯೂ.ಗಳಿಂದು ಅಂದಾಜಿಸಲಾಗಿದೆ. ಅನಧಿಕೃತ ಮಾಪಕ ರಹಿತ ಪಂಪ್ ಸೆಟ್ ಗಳ ಗಣತಿಯಾರು ಹೇಗೆ ಮಾಡಿದರು ಎಂದು ತಿಳಿಯದಾಗಿದೆ ಈ ಸನ್ನಿವೇಶದಲ್ಲಿ ಮಾಪಕ ರಹಿತ ವಿದ್ಯುತ್ ಬಳಕೆಯ ನಷ್ಟವನ್ನು ಎಲ್ಲಾ ಗ್ರಾಹಕರು ಹೊರಬೇಕಾಗಿದೆ.</td><td>LT4a ಜಕಾತಿಯ ನೀರಾವರಿ ಪಂಪ್ಸೆಟ್ಗಳ ವಿದ್ಯುತ್ ಬಳಕೆಯನ್ನು NJY ಫೀಡರ್ಗಳಿಂದ ಬೇರ್ಪಡಿಸಲಾದ ಕೃಷಿ ಫೀಡರ್ಗಳ ವಿದ್ಯುತ್ ಬಳಕೆಯ ಆಧಾರದ ಮೇಲೆ ಲೆಕ್ಕಿಸಲಾಗುತ್ತದೆ.
1. ವಿದ್ಯುತ್ ಉಪ-ಕೇಂದ್ರಗಳಲ್ಲಿ ಎಲ್ಲಾ ಫೀಡರ್ ಗಳು ಮಾಪಕೀಕರಣಗೊಂಡಿರುವುದರಿಂದ, ಪ್ರತಿ ಮಾಹೆ ಪ್ರತ್ಯೇಕಿತ ನೀರಾವರಿ ಪಂಪ್ ಸೆಟ್ ಫೀಡರಿನ (Exclusive IP Feeder) ರೀಡಿಂಗ್ ನಿಂದ ಬಳಕೆಯನ್ನು ಪಡೆಯಲಾಗುವುದು.
2. ಆ ಮಾಹೆಯ ಫೀಡರಿನ ಒಟ್ಟು ಬಳಕೆಯಲ್ಲಿ ತಾಂತ್ರಿಕ ನಷ್ಟವನ್ನು ಕಳೆದು, ಸದರಿ ಫೀಡರ್ ಮೇಲಿರುವ ನೀರಾವರಿ ಪಂಪ್ ಸೆಟ್ಟಿನ ಸ್ಥಾವರಗಳಿಂದ divide ಮಾಡಿ ಪ್ರತಿ ನೀರಾವರಿ ಪಂಪ್ ಸೆಟ್ ನ ಸ್ಥಾವರದ ಬಳಕೆಯನ್ನು ನಿರ್ಣಯಿಸಲಾಗುವುದು. ಇದರಿಂದ ದೊರೆತ ಸರಾಸರಿ ಬಳಕೆ ಯನ್ನು ಉಪ-ವಿಭಾಗದ ಒಟ್ಟು ನೀರಾವರಿ ಪಂಪ್ ಸೆಟ್ ನ ಸ್ಥಾವರಗಳಿಗೆ ಅಂದಾಜಿಸಲಾಗುವುದು.
3. ಎಲ್ಲಾ ಕಾ ಮತ್ತು ಪಾ ಉಪ-ವಿಭಾಗಗಳ ಬಳಕೆಯನ್ನು ನಿಗಮದ ಹಂತದಲ್ಲಿ ಕ್ರೋಡಿಕರಿಸಲಾಗುವುದು</td></tr>
<tr><td colspan="2">ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಸೆಸ್ಕ ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಗಮನಿಸಿದೆ. ನೀರಾವರಿ ಪಂಪ್‌ಗಳ ವಿದ್ಯುತ್ ಬಳಕೆ ಬಗ್ಗೆ ಆದೇಶದಲ್ಲಿ ವಿಸ್ತಾರವಾಗಿ ಚರ್ಚಿಸಲಾಗಿದೆ.</td></tr>
<tr><td>32. ದಿನಾಂಕ 31-03-2022 ರಲ್ಲಿದ್ದಂತೆ ಚೆಸ್ಕಾಂಗೆ ರಾಜ್ಯ ಸರ್ಕಾರ, ಅರೆ ಸರ್ಕಾರಿ ಸಂಸ್ಥಗಳು, ನಗರಪಾಲಿಕೆ, ಗ್ರಾಮಪಂಚಾಯಿತಿ ಇತರ ಸ್ಥಳೀಯ ಸಂಸ್ಥೆಗಳು ಪಾವತಿಸಬೇಕಾದ ಬಾಕಿ ಮೊತ್ತ ಕೋಟಿ ರೂ.ಗಳನ್ನು ವಸೂಲು ಮಾಡುವಲ್ಲಿ ಚೆಸ್ಕಾಂ ವಿಫಲವಾಗಿದೆ.</td><td>ಚಾವಿಸನಿನಿಗೆ 31.12.2022ರ ಅಂತ್ಯಕ್ಕೆ ಸ್ಥಳೀಯ ಸಂಸ್ಥೆಗಳು, ಸರ್ಕಾರಿ ಅರೆ ಸರ್ಕಾರಿ ಸಂಸ್ಥೆಗಳು ಹಾಗೂ ಇತರೆ ಸರ್ಕಾರಿ ಸಂಸ್ಥೆಗಳಿಂದ ಬರಬೇಕಾದ ಬಾಕಿ ಮೊತ್ತದ ವಿವರಗಳು ಈ ಕೆಳಗಿನಂತಿದೆ,
<table>
<tr><th>ಕ್ರಮ ಸಂಖ್ಯೆ</th><th>ಇಲಾಖೆಯ ಹೆಸರು</th><th>31.03.2022 ರಂತೆ ಬಾಕಿ</th><th>31.12.2022 ರಂತೆ ಬಾಕಿ</th></tr>
<tr><td>1</td><td>ಆರ್‌ಡಿಪಿಆರ್ (ನೀರು ಸರಬರಾಜು & ಬೀದಿ ದೀಪ)</td><td>30872.00</td><td>38262.05</td></tr>
<tr><td>2</td><td>ಯುಡಿಡಿ (ನೀರು ಸರಬರಾಜು & ಬೀದಿ ದೀಪ)</td><td>5187.43</td><td>4489.10</td></tr>
<tr><td>3</td><td>ಭಾರಿ ನೀರಾವರಿ (ಸರ್ಕಾರಿ ಏತ ನೀರಾವರಿ)</td><td>11274.71</td><td>11111.22</td></tr>
<tr><td>4</td><td>ಸಣ್ಣನೀರಾವರಿ (ಸರ್ಕಾರಿ ಏತ ನೀರಾವರಿ)</td><td>588.60</td><td>815.38</td></tr>
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<table>
<tr><td>5</td><td>ಆರ್‌ಡಿಡಬ್ಲ್ಯೂ & ಎಸ್‌ಡಿ ಇಲಾಖೆ (ಬಹು ಗ್ರಾಮ ಯೋಜನೆ ಸ್ಥಾವರಗಳು)</td><td>397.96</td><td>1241.68</td></tr>
<tr><td>6</td><td>ಇತರೆ ರಾಜ್ಯ ಸರ್ಕಾರಿ ಇಲಾಖೆಗಳು</td><td>5552.30</td><td>4996.51</td></tr>
<tr><td>7</td><td>ಇತರೆ ಕೇಂದ್ರ ಸರ್ಕಾರಿ ಇಲಾಖೆಗಳು</td><td>642.72</td><td>144.82</td></tr>
<tr><td colspan="2">ಒಟ್ಟು</td><td>54515.72</td><td>61060.76</td></tr>
</table>
ಚಾವಿಸನಿನಿಯು ಈ ಎಲ್ಲಾ ಇಲಾಖೆಗಳೊಂದಿಗೆ ಸಮನ್ವಯಿಸಿ ವಿದ್ಯುತ್ ಬಾಕಿ ಪಾವತಿಗೆ ಕಟ್ಟುನಿಟ್ಟಿನ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಳ್ಳುತ್ತಿದೆ.
</td>
</tr>
<tr>
<td colspan="2">ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಸೆಸ್ಕ ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಗಮನಿಸಲಾಗಿದೆ. ಎಲ್ಲಾ ಗ್ರಾಹಕರಿಂದ ಬಾಕಿ ವಸೂಲು ಮಾದಲು ಸೆಸ್ಕ ಪರಿಣಾಮಕಾರಿ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಳ್ಳಲು ಸೂಚಿಸಿದೆ.</td>
</tr>
<tr>
<td>33. ಆಯೋಗ ಈ ಹಿಂದೆ ನೀಡಿದ ನಿರ್ದೇಶನದಂತೆ ಎಲ್ಲಾ ಗ್ರಾಹಕರಿಗೂ ಪ್ರೀಪೈಡ್ ಮಾಪಕಗಳನ್ನು ಅಳವಡಿಸಲು ಸೂಕ್ತ ಪ್ರೇರಣೆ, ತಿಳುವಳಿಕೆ ಮತ್ತು ಪ್ರಚಾರ ಕಾರ್ಯಕ್ರಮಗಳನ್ನು ಆಯೋಜಿಸಲು ಚೆಸ್ಕಾಂ ಸೂಚಿಸಬೇಕು.

ಚೆಸ್ಕಾಂ ಪ್ರೀಪೈಡ್ ಮಾಪಕ ಅಳವಡಿಸಿದರೆ ಗ್ರಾಹಕರ ಠೇವಣಿ ಮರಳಿ ನೀಡಬೇಕಾಗುತ್ತದೆ ಎಂಬ ಕಾರಣ ಈ ಬಗ್ಗೆ ಕ್ರಮ ಕೈಗೊಳ್ಳುತ್ತಿಲ್ಲ.</td>
<td>ಮಾನ್ಯ ಆಯೋಗವು ಒಪಿ ಸಂ 89/2017ದ ದಿ: 30.01.2018ರ ಆದೇಶದಲ್ಲಿರುವಂತೆ ಚಾವಿಸನಿನಿಯು ತಾತ್ಕಾಲಿಕ ವಿದ್ಯುತ್ ಸ್ಥಾವರಗಳಿಗೆ ಮಾಪಕ ಬಾಡಿಗೆ ಮೊತ್ತವನ್ನು ಭರಿಸಿಕೊಂಡು ಪ್ರೀಪೇಡ್ ಮಾಪಕವನ್ನು ಅಳವಡಿಸಲು ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿದೆ. ಗ್ರಾಹಕರು ಬಯಸಿದಲ್ಲಿ ಬಾಡಿಗೆ ಮೊತ್ತವನ್ನು ಮರುಪಾವತಿ ಪಡೆಯಬಹುದಾಗಿದೆ ಅಥವಾ ಸದರಿ ಗ್ರಾಹಕರು ಸ್ಥಿರ ಸೇವೆ (Permanent Connection) ಮುಂದುವರೆದಲ್ಲಿ ವಿದ್ಯುತ್ ಶುಲ್ಕಕ್ಕೆ ಹೊಂದಾಣಿಕೆ ಮಾಡಲಾಗುತ್ತದೆ.
ಕೇಂದ್ರ ಸರ್ಕಾರದ ಆರ್ಡಿಎಸ್‌ಎಸ್ ಯೋಜನೆಯು ಅನುಷ್ಠಾನಗೊಳ್ಳುವ ಸಮಯದಲ್ಲಿ smart ಪ್ರೀಪೇಡ್ ಮಾಪನಗಳನ್ನು ಅಳವಡಿಸಲಾಗುವುದು. ಈ ಕುರಿತು ಮಾನ್ಯ ಆಯೋಗದ ಆದೇಶ ಹಾಗೂ ನಿರ್ದೇಶನಗಳಿಗೆ ಚಾವಿಸನಿನಿಯು ಬದ್ಧವಾಗಿದೆ.</td>
</tr>
<tr>
<td colspan="2">ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಆಯೋಗವು ಚಾ.ವಿ.ಸ.ನಿ.ನಿ. ಯು ನೀಡಿದ ಉತ್ತರವನ್ನು ಗಮನಿಸಿದೆ.</td>
</tr>
<tr>
<td>34. ಕೋವಿಡ್ 19, 1 ಮತ್ತು 2ನೇ ಅಲೆಯಲ್ಲಿ ಚೆಸ್ಕಾಂ ಸಣ್ಣ ಕೈಗಾರಿಕೆಗಳಿಗೆ ನೀಡಿದ 2 ತಿಂಗಳ ಕಡ್ಡಾಯ ಶುಲ್ಕದ ವಿನಾಯಿತಿ ಪಡೆದ ಘಟಕಗಳು ಎಷ್ಟು ಹಾಗೂ ಮೊತ್ತವೆಷ್ಟು ತಿಳಿಸಿ?

ಈ ಪರಿಹಾರ ನೀಡಲು ಕೇಂದ್ರ ಮತ್ತು ರಾಜ್ಯ ಸರ್ಕಾರಗಳು ನೀಡಿದ ಅನುದಾನದ ಮೊತ್ತವೆಷ್ಟು? ಯಾವ ದಿನಾಂಕ ನೀಡಲಾಯಿತು? (ಈ ಬಗ್ಗೆ ದರ ಪರಿಷ್ಕರಣೆ ಅರ್ಜಿಯಲ್ಲಿ ಮಾಹಿತಿ ದೊರೆತಿರುವುದಿಲ್ಲಾ)</td>
<td>2020-21ರ ಅವಧಿಯ ಕೋವಿಡ್-19ರ ಲಾಕ್ಡೌನ್ ಸಮಯದಲ್ಲಿ ಚಾವಿಸನಿನಿ ವ್ಯಾಪ್ತಿಯ 1333 ಸಂಖ್ಯೆ ಎಂಎಸ್‌ಎಂಇ ಗ್ರಾಹಕರಿಗೆ ರೂ.5.22 ಕೋಟಿ ಪರಿಹಾರ/ಪ್ರೋತ್ಸಾಹಕ ಮೊತ್ತವನ್ನು ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಆದೇಶ ಸಂಖ್ಯೆ: ಎನರ್ಜಿ 289 ಪಿಎಸ್‌ಆರ್ 2020 ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 26.11.2021 ರಂತೆ ನೀಡಲಾಗಿದೆ.

2021-22ರ ಅವಧಿಯ ಕೋವಿಡ್-19ರ ಲಾಕ್ಡೌನ್ ಸಮಯದಲ್ಲಿ ಚಾವಿಸನಿನಿ ವ್ಯಾಪ್ತಿಯ 1462</td>
</tr>
</table>

<table>
<tr><td></td><td>ಸಂಖ್ಯೆ ಎಂಎಸ್ಎಂಇ ಗ್ರಾಹಕರಿಗೆ ರೂ.7.56 ಕೋಟಿ ಪರಿಹಾರ/ಪ್ರೋತ್ಸಾಹಕ ಮೊತ್ತವನ್ನು ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಆದೇಶ ಸಂಖ್ಯೆ: ಎನರ್ಜಿ/23/ಪಿಎಸ್ಆರ್/2022 ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 21.11.2022 ರಂತೆ ನೀಡಲಾಗಿದೆ.</td></tr>
<tr><td colspan="2">ಆಯೋಗದ ಅಭಿಪ್ರಾಯ: ಆಯೋಗವು ಚಾ.ವಿ.ಸ.ನಿ.ನಿ. ಯು ನೀಡಿದ ಉತ್ತರವನ್ನು ಗಮನಿಸಿದೆ.</td></tr>
<tr><td>35. ಕಳೆದ 5 ವರ್ಷದಲ್ಲಿ ಎಲ್.ಟಿ 5 ಎ ಮತ್ತು 5 ಬಿ ಹಾಗೂ ಎಚ್.ಟಿ 2ಎ ಗ್ರಾಹಕರು ಪಾವತಿಸಿರುವ ಕ್ರಾಸ್ ಸಬ್ಸಿಡಿ ಮೊತ್ತವನ್ನು ಪ್ರತ್ಯೇಕವಾಗಿ ತಿಳಿಸಿರುವ ಬಗ್ಗೆ ದರ ಪರಿಷ್ಕರಣೆ ಅರ್ಜಿಯಲ್ಲಿ ಮಾಹಿತಿ ದೊರೆತಿರುವುದಿಲ್ಲಾ)</td><td>ಎಲ್.ಟಿ-5 ಜಕಾತಿ ಗ್ರಾಹಕರು ಯಾವುದೇ ಅಡ್ಡ ಸಹಾಯಧನವನ್ನು ಚಾವಿಸನಿನಿಗೆ ಪಾವತಿಸಿರುವುದಿಲ್ಲ. 2018
ರಿಂದ 2022ರವರೆಗಿನ ಹೆಚ್.ಟಿ-2 ಗ್ರಾಹಕರು ಪಾವತಿಸಿರುವ ಅಡ್ಡ ಸಹಾಯಧನದ ಮಾಹಿತಿಯು ಈ ಕೆಳಗಿನಂತಿದೆ.
<table>
<tr><th>ಕ್ರಮ ಸಂ ಖ್ಯೆ</th><th>ಆರ್ಥಿಕ ವರ್ಷ</th><th>ಅಡ್ಡ ಸಹಾಯ ಧನ (ರೂ.ನಲ್ಲಿ)</th></tr>
<tr><td>1</td><td>2017-18</td><td>461780653.56</td></tr>
<tr><td>2</td><td>2018-19</td><td>525067380.96</td></tr>
<tr><td>3</td><td>2019-20</td><td>364388139.83</td></tr>
<tr><td>4</td><td>2020-21</td><td>273800382.60</td></tr>
<tr><td>5</td><td>2021-22</td><td>404226188.98</td></tr>
</table></td></tr>
<tr><td colspan="2">ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಆಯೋಗವು ಚಾ.ವಿ.ಸ.ನಿ.ನಿ. ಯು ನೀಡಿದ ಉತ್ತರವನ್ನು ಗಮನಿಸಿದೆ.</td></tr>
<tr><td>36. Commission approved power purchase of Rs.4005.12 crores. But CESC has purchased worth of Rs.4027.7031669.76 MU. CESC has purchased Rs.22.58 crores more energy. This has gone to IP sets Many HT consumers have left the grid. HT tariff should be reduced so that HT consumers may not leave the grid.</td><td>As per the MYT regulations, power purchase is uncontrollable cost. As compared to the Commission approved energy at generation point i.e. 7866.43 MU, the energy at generation point of CESC is 8390.87 MU which has resulted in increase in power purchase cost.
It is clearly evident from the records that, there is increasing trend in the energy sales of HT installations, the total HT sales for FY-21 is 1285.05 MU and for FY-22 is 1549.76 MU which is 16.86 MU more than the Commission approved sales i.e. 1532.90 MU.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by CESC is noted.</td></tr>
<tr><td>37. The expenditure booked by CESC is Rs.595.81 Crores and KERC approved capital expenditure of RS.650 crores. In meter programming less utilized. New projects not at all taken up. In providing infrastructure to un authorized IP sets less utilized. Thus CESC has failed to utilize the budgeted capital expenditure on certain heads. It shows its inefficiency in utilizing the budget and achieve targets.</td><td>The actual capex incurred for FY-22 is 664.80 Crores. As per the Commission's directive, the new transformers utilized to replace the transformers failed and beyond repairs are to be considered under capex. Hence instead of Rs.41.91 Crores for replacement of failed transformers, only Rs.0.29 Crores is considered. CESC has been utilizing the budget efficiently.</td></tr>
</table>

Commission's Views: The reply furnished by CESC in noted. CAPEX is discussed in the relevant chapter.	
38. Specific Consumption of IP sets was 7193 units in FY-21. And it is 6838 in FY-22. Such a great variation. Thus subsidy to be claimed from the Govt will decrease.	The consumption of IP installations < 40 units is decreased in FY-22 as compared to the Commission approved consumption. This is due to heavy rainfall & floods resulting in the decrease of agricultural activities. Hence, the specific consumption is less. CESC has claimed Rs.1800.14 Crores subsidy for 2971.37 MU in FY-22.
Commission's Views: The reply furnished by CESC is noted. IP Set consumption is discussed in the relevant chapter.	
39. Independent feeders are required for Industries. There are interruptions and load sheddings. Industries are suffering a lot. KASSIA insists that independent feeders should be provided for feeding to the industries.	All major industrial load centers are provided with dedicated independent feeders. Further, the overloaded industrial feeders are bifurcated by creation of link lines under E&I and IPDS project. If any specific requisitions are made, it will be considered by providing independent feeders.
Commission's Views: The reply furnished by CESC is noted. CESC is directed to arrange uninterrupted power supply to all consumers including Industrial industry consumer, as far as possible.	
40. Solar Heating greatly helps in bringing down the morning peak load. Hence, present solar rebate should be continued. CESC has not given the details of how many installations are yet to be serviced with solar water heaters.	In CESC Mysuru, all residential buildings with built up area of 600 Sq ft and above constructed on sites measuring 1200 sq ft and above and falling within the limits of Municipalities /Corporations are being serviced with solar water heaters as per the GOK order no EN87 NCE 2008/08-04-2008.
Commission's Views: The reply furnished by CESC in noted**.** The matter is discussed in the relevant chapter.	
41. Commission has directed CESC to complete the work of metering of DTCs by 31-12-2010. The work is not completed so far. At this rate metering may take another 5 years. DTC metering is very important to calculate DTC wise line loss. DTC wise line losses are not worked out even in case of DTCs, which are metered, and what action has been taken to reduce the losses. CESC is silent on this. DTCs are not metered and where DTCs are metered line losses are not worked out.	As on September-22, there are 167705 no's of DTCs, out of which 105173 no's of DTCs does not require metering. 52861 no's of DTCs are metered and 9671 no's of DTCs are to be metered (refer page No.130).
Commission's Views: The Commission has taken note of the reply furnished by the CESC. The energy audit directives issued by the Commission shall be complied by the CESC.	
42. The losses are more than 10% on 1450 feeders. 9671 DTCs are yet to be metered in	Energy audit of Towns & cities pertaining to CESC Mysuru is furnished in page No.

CESC. CESC have not made any attempts to get the energy meters calibrated and efforts to reduce the losses.	128, 129 & 130 of the subject application. Action is being taken to bring down the losses to less than 10%.
Commission's Views: The Commission has taken note of the reply furnished by the CESC. CESC is directed to take measure to reduce the DTC wise, feeder wise losses.	
43. In the case of metering of IP sets the progress is only 12%. This is a clear violation of section 55 of EA 2003. This section mandated that by 2005 all installations should be metered. CESC has not committed any date for completing the metering of IP sets. Because of no meters, the assessment of IP sets consumption made on the basis of sample meters is questionable. This will result in wrong line losses, wrong subsidy, wrong forecast of power sector planning. CESC should be ordered to complete metering of IP sets at least by the end of 2019.	As per the guidelines of Hon'ble KERC, the consumption of IP sets are calculated. Moreover, the subsidy is claimed only for live installations and as per the directions of Government, the dedicated 1034 No. of IP feeders were segregated from Urban/Rural feeders. The consumption of individual unmetered IP sets is not being measured at the individual supply point of IP installations. The energy is being measured at the input point of the feeder at the respective sub-station. The energy recorded is analyzed and after deducting the distribution losses, the specific consumption of the IP sets is calculated.
Commission's Views: The reply furnished by CESC is noted.	
44.CESC has stated that instructions are issued. CESC cannot absolve its responsibility by merely stating that instructions are issued. CESC has not monitored the implementation. CESC has not mentioned in how many cases CESC Officers failed, how much penalty was imposed etc.	CESC has implemented the specified Standards of Performance while rendering services related to supply of power as per the KERC (Licensee's Standards of Performance) Regulations, 2004. CESC has displayed prominently in Kannada the details of various services such as replacing of the failed transformers, attending to fuse off call / line breakdown complaints, arranging new services, change of faulty energy meters, reconnection of power supply, etc., rendered as per Schedule-1 of the KERC (Licensee's Standards of Performance) Regulations, 2004 and Annexure-1 of the KERC (Consumer Complaints Handling Procedure) Regulations, 2004, on the notice boards in all the O & M sections and O & M subdivisions for the information of the consumers. The details are furnished in pages 113 to 115 of the subject application.
Commission's Views: The Commission has taken note of the reply furnished by the CESC.	

45. Capital expenditure for FY 23 was Rs.725 crores and capital expenditure proposed in FY24 is Rs.750 crores. But there is no clear justification for increased Capex for FY24	The Hon'ble KERC in its Tariff Order 2022 dated: 04.04.2022 has approved the capital expenditure for FY-23 as Rs.725 Crores, FY-24 as Rs.750 Crores. CESC has proposed the approved amount.
Commission's Views: This is discussed in the relevant chapters of the Tariff Order.	
46. CESC had to pay interest for the delayed payments to the Generators. Such interest for the delayed payment made to the Generators should not be passed on to the Consumers.	The interest for the delayed payment made to the generators is not passed on to the consumers.
Commission's Views: The reply furnished by CESC is noted. The Commission is not allowing interest on belated payments of power purchase dues, except in case where there are specific Court Orders.	
47. The average cost of hydel stations is 84.31 paise per unit. The average cost of thermal stations is 435.51 paise. Hence, CESC should utilize more and more Hydel Power.	The allocation of energy from various sources of energy is given by the Government of Karnataka & the Hon'ble KERC/CERC determines the tariff for all the generators and CESC, Mysuru will abide by the orders of KERC/CERC & GoK.
Commission's Views: The reply furnished by CESC accepted.	

ESCOMS TOTAL POWER PURCHASE FOR FY24 Annexure-1							
Sl no	**NAME OF THE GENERATING STATION**	**Energy considered (MU)**	**Capacity Charges**	**Variable Charges**		**Total Cost**	
			Amount in Crores	**Amount in Crores**	**Cost/Unit in Rs**	**Amount in Crores**	**Cost/Unit in Rs**
A	**KPCL THERMAL**						
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	4934.88	868.00	2234.02	4.53	3102.02	6.29
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	963.06	228.00	436.17	4.53	664.17	6.90
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	1200.00	351.00	552.84	4.61	903.84	7.53
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	1494.18	424.00	723.18	4.84	1147.18	7.68
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	3234.79	743.00	1315.59	4.07	2058.59	6.36
6	YTPS	5020.71	2400.00	2103.18	4.19	4503.18	8.97
	TOTAL KPCL THERMAL	16847.62	5014.00	7364.98	4.3715	12378.98	7.3476
B	**CGS SOURCES**						
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	2923.69	214.33	1250.75	4.28	1465.08	5.01
2	N.T.P.C-RSTP-III (1X500MW)	767.69	65.23	299.71	3.90	364.94	4.75
3	NTPC-Talcher (4X500MW)	2667.39	188.00	492.13	1.85	680.13	2.55
4	Simhadri Unit -1 &2 (2X500MW)	1388.03	187.97	534.11	3.85	722.08	5.20
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	891.54	188.65	293.49	3.29	482.14	5.41
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	798.17	65.61	219.74	2.75	285.35	3.58
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	1083.21	91.70	298.21	2.75	389.91	3.60
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	701.39	70.17	171.70	2.45	241.87	3.45
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	563.77	169.14	148.50	2.63	317.64	5.63

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
10	NLC TAMINADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	721.68	215.67	320.86	4.45	536.53	7.43
11	MAPS (2X220MW)	87.79	0.00	22.77	2.59	22.77	2.59
12	Kaiga Unit 1&2 (2X220MW)	821.84	0.00	286.58	3.49	286.58	3.49
13	Kaiga Unit 3 &4 (2X200MW)	893.52	0.00	311.57	3.49	311.57	3.49
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	1466.74	0.00	610.16	4.16	610.16	4.16
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	1448.87	0.00	602.73	4.16	602.73	4.16
16	DVC-Unit-1 & 2 Meja TPS (2x500MW)	1354.78	203.84	426.35	3.15	630.19	4.65
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	1693.47	293.93	602.20	3.56	896.13	5.29
18	Kudgi	2051.25	1590.04	1094.75	5.34	2684.79	13.09
19	New NLC thermal Project	433.77	92.04	117.29	2.70	209.33	4.83
	TOTAL CGS Energy @ KPTCL periphery	22758.59	3636.32	8103.61	3.56	11739.93	5.16
C	**MAJOR IPPS**						
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	1500.00	1091.48	1620.00	10.80	2711.48	18.08
D	**KPCL HYDEL STATIONS**						
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	5049.99		301.38	0.60	301.38	0.60
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	346.50		25.04	0.72	25.04	0.72
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	542.52		97.12	1.79	97.12	1.79
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	3371.94		283.18	0.84	283.18	0.84

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	1077.12		189.78	1.76	189.78	1.76
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	504.90		116.84	2.31	116.84	2.31
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	59.40		29.08	4.90	29.08	4.90
8	KADRA POWER HOUSE_KPH (3x50)	396.00		90.81	2.29	90.81	2.29
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	396.00		63.85	1.61	63.85	1.61
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	85.14		21.25	2.50	21.25	2.50
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	279.18		37.33	1.34	37.33	1.34
12	MUNIRABAD POWER HOUSE (2x9+1x10)	95.04		9.21	0.97	9.21	0.97
	TOTAL KPCL HYDRO	12203.73	0.00	1264.87	1.04	1264.87	1.04
E	**OTHER HYDRO**						
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	162.43		61.40	3.78	61.40	3.78
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	44.85		2.10	0.47	2.10	0.47
	TOTAL OTHER HYDRO	207.28		63.50	3.06	63.50	3.06
F	**RE SOURCES**						
1	WIND-IPPS	6263.80		2463.52	3.93	2463.52	3.93
2	KPCL-WIND (9x0.225+10x0.230)	6.95		2.67	3.84	2.67	3.84
3	MINI HYDEL-IPPS	1494.18		504.15	3.37	504.15	3.37
4	CO-GEN	719.71		465.43	6.47	465.43	6.47
5	CAPTIVE	18.57		5.71	3.07	5.71	3.07
6	Wind MOA	136.53		49.50	3.63	49.50	3.63
7	BIOMASS	146.66		81.50	5.56	81.50	5.56
8	Solar Existing /SRTPV	9428.46		3694.19	3.92	3694.19	3.92

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
9	SOLAR-KPCL (YELESANDRA,ITNAL,YAPALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)	7.43		10.68	14.37	10.68	14.37
	TOTAL RE	18222.29		7277.35	3.99	7277.35	3.99
G	**BUNDLED POWER**						
1	Bundled power Coal	505.86		299.33	5.92	299.33	5.92
2	Bundled power Solar(OLD)	120.50		126.85	10.53	126.85	10.53
3	Bundled power Solar(NEW)	1380.80		843.25	6.11	843.25	6.11
	Total Bundled Power	2007.16		1269.43	6.32	1269.43	6.32
H	**TOTAL TRANSMISSION & LDC CHARGES**						
1	KPTCL TRANSMISSION CHARGES		5575.8505			5575.8505	
2	CTUIL CHARGES		2118.411			2118.411	
3	SLDC		27.740			27.740	
4	POSOCO CHARGES		4.340			4.340	
I	**TOTAL INCLUDING TRANSMISSION & LDC CHARGES**	**73746.6760**	**17468.1410**	**26963.7395**	**3.656**	**44431.880**	**6.02493**

CESCs APPROVED POWER PURCHASE FOR FY24 Annexure-2								
Sl no	**Name of the Generating Station**	**% share of energy allowed**	**Energy considered (MU)**	**Capacity Charges**	**Variable Charges**		**Total Cost**	
				Amount in Crores	**Amount in Crores**	**Cost/ Unit in Rs**	**Amount in Crores**	**Cost/Unit in Rs**
A	**KPCL THERMAL**							
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	5.0000	246.7442	43.40	111.70	4.53	155.10	6.29
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	5.0000	48.1530	11.40	21.81	4.53	33.21	6.90
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	5.0000	60.0000	17.55	27.64	4.61	45.19	7.53
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	5.0000	74.7090	21.20	36.16	4.84	57.36	7.68
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	5.0000	161.7395	37.15	65.78	4.07	102.93	6.36
6	YTPS	5.0000	251.0355	120.00	105.16	4.19	225.16	8.97
	TOTAL KPCL THERMAL		842.38	250.70	368.25	4.37	618.95	7.35
B	**CGS SOURCES**							
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	11.1366	325.60	23.87	139.29	4.28	163.16	5.01
2	N.T.P.C-RSTP-III (1X500MW)	11.1366	85.49	7.26	33.38	3.90	40.64	4.75
3	NTPC-Talcher (4X500MW)	11.1366	297.06	20.94	54.81	1.85	75.74	2.55
4	Simhadri Unit -1 &2 (2X500MW)	11.1366	154.58	20.93	59.48	3.85	80.42	5.20
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	11.1366	99.29	21.01	32.69	3.29	53.69	5.41
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	11.1366	88.89	7.31	24.47	2.75	31.78	3.58
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	11.1366	120.63	10.21	33.21	2.75	43.42	3.60
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	11.1366	78.11	7.81	19.12	2.45	26.94	3.45
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	11.1366	62.78	18.84	16.54	2.63	35.37	5.63
10	NLC TAMINADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	11.1366	80.37	24.02	35.73	4.45	59.75	7.43
11	MAPS (2X220MW)	11.1366	9.78	0.00	2.54	2.59	2.54	2.59

Sl no	Name of the Generating Station	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/ Unit in Rs	Amount in Crores	Cost/ Unit in Rs
12	Kaiga Unit 1&2 (2X220MW)	11.1366	91.53	0.00	31.91	3.49	31.91	3.49
13	Kaiga Unit 3 &4 (2X200MW)	11.1366	99.51	0.00	34.70	3.49	34.70	3.49
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	11.1366	163.35	0.00	67.95	4.16	67.95	4.16
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	11.1366	161.36	0.00	67.12	4.16	67.12	4.16
16	DVC-Unit-1 & 2 Meja TPS (2x500MW)	11.1366	150.88	22.70	47.48	3.15	70.18	4.65
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	11.1366	188.60	32.73	67.06	3.56	99.80	5.29
18	Kudgi	12.1433	249.09	193.08	132.94	5.34	326.02	13.09
19	New NLC thermal Project	11.1366	48.31	10.25	13.06	2.70	23.31	4.83
	TOTAL CGS Energy @ KPTCL periphery		2555.19	420.97	913.49	3.58	1334.46	5.22
C	**MAJOR IPPS**							
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	14.3369	215.05	156.48	232.26	10.80	388.74	18.08
D	**KPCL HYDEL STATIONS**							
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	34.0041	1717.20	0.00	102.48	0.60	102.48	0.60
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	15.4345	53.48	0.00	3.87	0.72	3.87	0.72
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	15.4345	83.74	0.00	14.99	1.79	14.99	1.79
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	15.4345	520.44	0.00	43.71	0.84	43.71	0.84
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	15.4345	166.25	0.00	29.29	1.76	29.29	1.76
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	15.4345	77.93	0.00	18.03	2.31	18.03	2.31
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	15.4345	9.17	0.00	4.49	4.90	4.49	4.90
8	KADRA POWER HOUSE_KPH (3x50)	15.4345	61.12	0.00	14.02	2.29	14.02	2.29

Sl no	Name of the Generating Station	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/ Unit in Rs	Amount in Crores	Cost/Unit in Rs
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	15.4345	61.12	0.00	9.86	1.61	9.86	1.61
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	15.4345	13.14	0.00	3.28	2.50	3.28	2.50
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	15.4345	43.09	0.00	5.76	1.34	5.76	1.34
12	MUNIRABAD POWER HOUSE (2x9+1x10)	15.4345	14.67	0.00	1.42	0.97	1.42	0.97
	TOTAL KPCL HYDRO		2821.35	0.00	251.19	0.89	251.19	0.89
E	**OTHER HYDRO**							
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	11.1366	18.09	0.00	6.84	3.78	6.84	3.78
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	11.1366	4.99	0.00	0.23	0.47	0.23	0.47
	TOTAL OTHER HYDRO		23.08		7.07	3.06	7.07	3.06
F	**RE SOURCES**							
1	WIND-IPPS		178.72	0.00	70.29	3.93	70.29	3.93
2	KPCL-WIND (9x0.225+10x0.230)			0.00	0.00	3.84	0.00	3.84
3	MINI HYDEL-IPPS		290.57	0.00	98.04	3.37	98.04	3.37
4	CO-GEN		47.79	0.00	30.91	6.47	30.91	6.47
5	CAPTIVE			0.00	0.00	3.07	0.00	3.07
6	Wind MOA			0.00	0.00	3.63	0.00	3.63
7	BIOMASS		2.14	0.00	1.19	5.56	1.19	5.56
8	Solar Existing /SRTPV		1004.41	0.00	393.40	3.90	393.40	3.90
9	SOLAR-KPCL (YELESANDRA,ITNAL,YAPALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)			0.00	0.00	14.37	0.00	14.37
	TOTAL RE		1523.63	0.00	593.83	3.90	593.83	3.90
G	**BUNDLED POWER**							
1	Bundled power Coal	11.5021	58.18	0.00	34.43	5.92	34.43	5.92
2	Bundled power Solar(OLD)	11.5021	13.86	0.00	14.59	10.53	14.59	10.53
3	Bundled power Solar(NEW)	11.5998	160.17	0.00	97.82	6.11	97.82	6.11
	Total Bundled Power		232.21		146.83	6.32	146.83	6.32

Sl no	Name of the Generating Station	% share of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/ Unit in Rs	Amount in Crores	Cost/Unit in Rs
H	**TOTAL TRANSMISSION & LDC CHARGES**							
1	KPTCL TRANSMISSION CHARGES			615.6697			615.6697	
2	CTUIL CHARGES			315.493			315.493	
3	SLDC			2.841			2.841	
4	POSOCO CHARGES			0.430			0.430	
I	**TOTAL INCLUDING TRANSMISSION & LDC CHARGES**		**8212.8940**	**1762.5878**	**2512.9292**	**3.060**	**4275.5170**	**5.2059**

Proposed and Approved Revenue, Average Tariff and Level of Cross Subsidy for FY24. **ANNEXURE-3**

8.59 8.02 7.85

CESC							Level of Cross Subsidy (%)		
		@ Proposed by CESC		@ Approved as per RST			W.R.T.	W.R.T.	W.R.T.
Tariff	PARTICULARS	Energy Sales (MU)	Revenue (Rs.in Crores)	Energy Sales (MU)	Revenue (Rs.in Crores)	Avg. Tariff (Rs./Unit)	ACS (Rs.8.59)	LT & HT Voltage (Rs.8.80 & Rs.8.02)	EHT Voltage (Rs.7.85)
LT-1 (Subsidized)	Bhagya Jyothi / Kutir Jyothi <=40 units (*1)	97.03	92.68	95.12	81.71	8.59	0.00%	-2.39%	
LT-1	Bhagya Jyothi / Kutir Jyothi >40 units	29.86	17.91	27.44	18.26	6.65	-22.58%	-24.43%	
LT-2(a)	Domestic Consumers, etc.	1183.76	1093.27	1178.33	1036.04	8.79	2.33%	-0.11%	
LT-2(b)	Pvt. Educational Instituitions and Hospitals, etc.	8.07	11.32	10.71	11.58	10.81	25.84%	22.84%	
LT-3	Commercial	336.05	468.07	**370.50**	**436.31**	11.78	37.14%	33.86%	
LT-4(a) (Subsidized)	Irrigation Pump Sets <=10 HP (*1)	3154.07	2210.68	3084.54	2134.58	6.92	-19.44%	-21.36%	
LT-4(b)	Irrigation Pump Sets >10 HP	1.24	1.40	1.20	1.15	9.58	11.53%	8.86%	
LT-4c	Pvt. Nurseries, Coffee / Tea Plantations, etc.	19.90	33.83	22.60	24.55	10.86	26.43%	23.41%	
LT-5	Industrial	183.27	322.64	192.70	245.96	12.76	48.54%	45.00%	
LT-6(a)	Water Supply	301.68	271.54	301.37	218.46	7.25	-15.60%	-17.61%	
LT-6(b)	Public Lighting	123.53	147.07	133.87	115.62	8.64	0.58%	-1.82%	
LT-6(c)	EV Charging Stations	14.00	8.06	14.00	6.32	4.51	-47.50%	-48.75%	
LT-7	Temporary Power Supply	18.69	106.81	18.57	43.42	23.38	172.18%	165.68%	
LT-7(b)									
LT-Total		**5471.15**	**4785.28**	**5450.95**	**4373.96**	**8.02**	**-6.64%**	**-8.86%**	
HT-1	Water Supply & Sewerage pumping	535.55	383.54	539.47	372.57	6.91	-19.56%	-13.84%	-11.97%
HT-2(a)	Industrial	808.04	933.25	808.04	886.03	10.97	27.71%	36.78%	39.75%
HT-2(b)	Commercial	108.07	171.03	108.07	151.38	14.01	63.10%	74.69%	78.47%
HT-2c(i)	Govt. Educational Instituitions and Hospitals, etc.	35.97	49.42	44.90	45.46	10.12	17.81%	26.18%	28.92%
HT-2c(ii)	Pvt. Educational Instituitions and Hospitals, etc.	19.75	29.88	18.60	22.49	12.09	40.75%	50.75%	54.01%
HT-3(a)	Lift Irrigation consumers	171.08	77.78	171.05	91.14	5.33	-37.95%	-33.54%	-32.10%
HT-3(b)/HT-6	Agricultural Forms, Govt. Horticultural Forms, etc.	0.57	0.47	0.60	0.33	5.50	-35.97%	-31.42%	-29.94%
HT-4	Residential Apartments	4.36	7.00	4.32	5.61	12.99	51.22%	61.97%	65.48%
HT-5	Temporary Power Supply	7.73	16.18	7.73	27.17	35.15	309.20%	338.28%	347.77%
HT-Total		**1691.12**	**1668.55**	**1702.78**	**1602.18**	**9.41**	**9.55%**	**17.33%**	**19.87%**
	Miscellaneous	5.62	168.66	5.62	172.99				
	GRAND TOTAL	**7167.89**	**6622.49**	**7159.35**	**6149.13**	**8.59**			

(*1) These categories are subsidized by GoK. In case subsidy is not released by GoK in advance, CESC shall raise demand & collect CDT of Rs.8.59 by BJ/KJ and Rs.6.92 by IP set consumers.

(*2) Voltage class wise Cost of Supply per unit LT: Rs.8.80, HT: Rs.8.02, EHT: Rs.7.85 per unit 8.85

			Annexure-4
Karnataka Electricity Regulatory Commission, Bangalore.			
Calculations for surcharge payable by Open Access Customers -FY24			
Energy Input for FY24-MU		**73746.68**	
Power Purchase Cost(PPC) including RE sources and excluding KPTCL Transmission/SLDC charges -Rs. Crs.		**38828.29**	
PPC Paise/ unit(Sl.No2/Sl.No.1*1000)		**526.51**	
	Details of surcharge at 66 kV level-paise/unit	**Details of surcharge at 33 kV/11 kV level-paise/unit**	**Details of surcharge at LT level-paise/unit**
Power purchase cost /unit (=Sl.No.3)	526.51	526.51	526.51
Transmission loss % including Comml. Losses	2.82	**2.82**	**2.82**
PPC after accounting for transmission loss (Sl.No.4/(1-Sl.no.5/100)	541.81	541.81	541.81
ESCOM's Loss at 33 kv/11kv level % including commercial losses	0.00	**3.35**	**3.35**
Power purchase cost after accounting for 33 kV/11kV loss(Sl.No.6/(1-Sl.no.7/100)	541.81	560.60	560.60
ESCOM's Loss at LT level % including commercial losses	0.00	0.00	**7.04**
Power purchase cost after accounting for LT loss(Sl.No.8/(1-Sl.no.11/100)	541.81	560.60	**603.05**
Overall Transmission charge per unit including carrying cost of Regulatory asset	**87.49**	**87.49**	**87.49**
ESCOM's Average Wheeling charge at 33 kv /11 kVlevel	0.00	**37.52**	37.52
ESCOM's Average Wheeling charge at LT kVlevel	0.00	0.00	**87.54**
Add carrying cost of Regulatory asset/unit	0.00	0.00	
Add cost of REC to meet RPO/unit	0.00	0.00	
Overall Cost of supply (Sl.nos.10+11+12+13+14+15)	**629.30**	**685.60**	**815.59**

	1	2	4	5	6	7	8	9	10
HT Category	**HT-1**	**HT-2a**	**HT-2b**	**HT-2c(i)**	**HT-2c(ii)**	**HT-3**	**HT-4**	**HT-5**	**HT-6**
Average Tariff- [Based on Annexure-3 of all ESCOMs]	**699.00**	**1025.00**	**1399.00**	**930.00**	**1146.00**	**544.00**	**953.00**	**1657.00**	**549.00**
Cross subsidy at 66 kv & above [Sl.No.17-629.30]	**69.70**	**395.70**	**769.70**	**300.70**	**516.70**	**-85.30**	**323.70**	**1027.70**	**-80.30**
Cross subsidy at HT level [Sl.No.17-685.60]	**13.40**	**339.40**	**713.40**	**244.40**	**460.40**	**-141.60**	**267.40**	**971.40**	**-136.60**
Cross subsidy at LT level [Sl.No.17-815.58]	NA	NA	NA	NA	NA	NA	NA	NA	NA
20% of Tariff [20% of Sl. No.17]	**139.80**	**205.00**	**279.80**	**186.00**	**229.20**	**108.80**	**190.60**	**331.40**	**109.80**
Applicable Cross subsidy at 66 kv & above [lower of Sl.No.18 & Sl.No.21]	**70**	**205**	**280**	**186**	**229**	**-85**	**191**	**331**	**-80**
ApplicableCross subsidy at HT level [lower of Sl.No.19 & Sl.No.21]	**13**	**205**	**280**	**186**	**229**	**-142**	**191**	**331**	**-137**
ApplicableCross subsidy at LT level [lower of Sl.No.20 & Sl.No.21]	NA	NA	NA	NA	NA	NA	NA	NA	NA

		11	12	14	15	16	17	18	19	20	21	22	23
	HT Category	LT-1 (SUBSIDISED)	LT-1 (unsubsidised)	LT2b	LT3	LT-4a	LT-4b	LT-4c	LT-5	LT-6a	LT-6b	LT-6c	LT-7
17	Average Tariff- [Based on Annexure-3 of all ESCOMs]	892	638	1100	1199	647	899	1054	1137	748	840	458	2552
18	Cross subsidy at 66 kv & above [Sl.No.17-629.30]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
19	Cross subsidy at HT level [Sl.No.17-685.60]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
20	Cross subsidy at LT level [Sl.No.17-815.58]	76.41	-177.59	284.41	383.41	-168.59	83.41	238.41	321.41	-67.59	24.41	-357.59	1736.41
21	20% of Tariff [20% of Sl. No.17]	178.40	127.60	220.00	239.80	129.40	179.80	210.80	227.40	149.60	168.00	91.60	510.40
22	Applicable Cross subsidy at 66 kv & above [lower of Sl.No.18 & Sl.No.21]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
23	ApplicableCross subsidy at HT level [lower of Sl.No.19 & Sl.No.21]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
24	ApplicableCross subsidy at LT level [lower of Sl.No.20 & Sl.No.21]	76	-178	220	240	-169	83	211	227	-68	24	-358	510

ANNEXURE - 5

ELECTRICITY TARIFF - 2024

K.E.R.C. ORDER DATED: 12th MAY 2023

Effective for the Electricity consumed from the first meter reading date falling on or after 01.04.2023

Chamundeshwari
Electricity Supply Corporation Ltd.,

ELECTRICITY TARIFF-2024

GENERAL TERMS AND CONDITIONS OF TARIFF:

(APPLICABLE TO BOTH HT AND LT)

1. The supply of power is subject to execution of agreement by the Consumer in the prescribed form, payment of prescribed deposits and compliance of terms and conditions as stipulated in the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka and Regulations issued under the Electricity Act, 2003 and compliance of all other Regulations issued / amended from time to time .

2. The tariffs are applicable to only single point of supply unless otherwise approved by the Licensee.

3. The Licensee does not bind himself to energize any installation, unless the Consumer guarantees the payment of minimum charges. The minimum charges are the power supply charges, in accordance with the tariff in force from time to time. This shall be payable by the Consumer until the power supply agreement is terminated, irrespective of the installation being in service or under disconnection.

4. The tariffs in the schedule are applicable to supply of power within the area of operation of the licensee.

5. The tariffs are subject to levy of Tax and Surcharges thereon as may be decided by the State Government, from time to time.

6. For the purpose of these tariffs, the following conversion factor would be used:

   1 HP=0.746 KW. 1HP=0.878 KVA.

7. The bill amount will be rounded off to the nearest Rupee, i.e., the bill amount of 50 Paise and above will be rounded off to the next higher Rupee and the amount less than 50 Paise will be ignored.

8. Use of power for temporary illumination in the premises already having permanent power supply for marriages, exhibitions in hotels, sales promotions etc., is limited to sanctioned load at the applicable permanent power supply tariff rates. Temporary tariff rates will be applicable in case the load exceeds sanctioned load as per the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

9. **LT power supply can be given where the requisitioned load is less than 150 kw / 201 HP.** The applicant is however at liberty to avail HT supply for lesser loads. The minimum contract demand for HT supply shall be 25 KVA or as amended from time to time by the Licensee with the approval of KERC.

10. The Consumer shall not resell electricity purchased from the Licensee to a third party except:

    (a) Where the Consumer holds a sanction or a tariff provision for distribution and sale of energy,

    (b) Under special contract permitting the Consumer for resale of energy in accordance with the provisions of the contract.

11. Non-receipt of the bill by the Consumer is not a valid reason for non-payment of bills. If the bill is not received within 7 days from the meter reading date, the Consumer shall notify the licensees' office, which issues the bill. Otherwise, it will be deemed that the bills have reached the Consumer in due time.

12. The Licensee will levy the following charges for non-realization of each Cheque.

1	Cheque amount up to Rs. 10,000	5% of the amount subject to a minimum of Rs.100
2	Cheque amount of Rs. 10,001and up to Rs. 1,00,000	3% of the amount subject to a minimum of Rs.500
3	Cheque amount above Rs. 1 Lakh:	2% of the amount subject to a minimum of Rs.3000

13. In respect of power supply charges paid by the Consumer through money order, Cheque /DD sent by post, receipt will be drawn and the Consumer has to collect the same.

14. In case of any belated payment, simple interest at the rate of 1 % per month will be levied on the actual No. of days of delay subject to a minimum of Re.1 for LT installation and Rs.100 for HT installation. No interest is however levied for arrears of Rs.10 and less.

15. All LT Consumers, except Bhagya Jyothi and Kutir Jyothi Consumers, shall provide current limiter/Circuit Breakers of capacity prescribed by the Licensee depending upon the sanctioned load.

16. All payments made by the Consumer will be adjusted in the following order of priority: -

(a) Interest on arrears of Electricity Tax
(b) Arrears of Electricity Tax
(c) Arrears of Interest on Electricity charges
(d) Arrears of Electricity charges
(e) Current month's dues

17. For the purpose of billing,

(i) the higher of the rated load or sanctioned load in respect of LT installations which are not provided with Electronic Tri-Vector meter,

(ii) sanctioned load or MD recorded, whichever is higher, in respect of installations provided with static meter or Electronic Tri-Vector meter or static meter, will be considered.

Penalty and other clauses shall apply if the sanctioned load is exceeded.

18. The bill amount shall be paid within 15 days from the date of presentation of the bill failing which the interest becomes payable.

19. For individual installations, more than one meter shall not be provided under the same tariff. Wherever two or more meters are existing for individual installation, the sum of the consumption recorded by the meters shall be taken for billing, till they are merged.

20. In case of multiple connections in a building, all the meters shall be provided at one easily accessible place in the ground floor.

21. **Reconnection charges:** The following reconnection charges shall be levied in case of disconnection and included in the monthly bill.

For reconnection of:

a	Single Phase Domestic installations under Tariff schedule LT 1 & LT2 (a)	Rs.20 per Installation.
b	Three Phase Domestic installations under Tariff schedule LT2 (a) and Single Phase Commercial & Power installations.	Rs.50 per Installation.
c	All LT installations with 3 Phase supply other than LT2 (a)	Rs.100 per Installation.
d	All HT& EHT installations	Rs.500 per Installation.

22. Revenue payments upto and inclusive of Rs.10, 000 shall be made by cash or cheque or D.D and payments above Rs.10, 000 shall be made by cheque or D.D only. Payments under other heads of account shall be made by cash or D.D, Bankers Cheque up to and inclusive of Rs. 10,000 and payment above Rs.10, 000 shall be by D.D or Bankers Cheque only.

Note: The Consumers can avail the facility of payment of monthly power supply bill through Electronic clearing system (ECS)/ Debit / Credit cards / RTGS/ NEFT/ Net Banking through ESCOMs/ Bank/ Bangalore One and Karnataka One website, 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 revenue payments up to the limit prescribed by the RBI.

23. If any of installations is not covered under any Tariff schedule, the Licensee is permitted to classify such installations under appropriate Tariff schedule under intimation to the K.E.R.C and approval thereon.

24. **Seasonal Industries**

Applicable to all Seasonal Industries.

i) The industries that intend to avail this benefit shall have Electronic Tri- Vector Meter installed to their installations.

ii) 'Working season' months and 'off-season' months shall be determined by an order issued by the Executive Engineer of the concerned O&M Division of the Licensee as per the request of the Consumer and will continue from year to year unless otherwise altered. The Consumer shall give a clear one month's notice in case he intends to change his 'working season'.

iii) **The consumption during any month of the declared off-season shall not be more than 25% of the average consumption of the previous working season.**

iv) The 'Working season' months and 'off-season' months shall be full–calendar months. If the power availed during a month exceeds the allotment for the 'off-season' month, it shall be taken for calculating the billing demand as if the month is the 'working season' month.

v) The Consumer can avail the facility of 'off-season' up to six months in a calendar year not exceeding in two spells in that year. During the 'off-season' period, the Consumer may use power for administrative offices etc., and for overhauling and repairing plant and machinery.

25. Whether an institution availing Power supply can be considered as charitable or not will be decided by the Licensee on the production of certificate **Form-10AC** form the Income Tax department.

26 **Time of the Tariff (ToD)**

The Commission as decided in the earlier tariff orders, decides to continue compulsory Time of Day Tariff for HT2 (a), HT2 (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), HT2 (b) and HT 2(C) consumers with contract demand of less than 500 KVA. Also the ToD for HT1 consumers on optional basis would continue as existing earlier. **The ToD tariff for the HT installations using the power for charging the Electric Motor Vehicle in the depots of BMTC / KSRTC/ NEKRTC / NWKRTC on optional basis is also applicable**. Details of ToD tariff are indicated under the respective tariff category. **The ToD tariff is not applicable to BMRCL and Railway Traction installations.**

The TOD tariff penalty / incentive in all the cases is applicable for the period specified by the Commission in the Tariff Order.

27. **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, has 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. In view of issue of the G.O No.CI2 BIF 2010, dated 21.10.2010, the Commission has accorded approval to 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 / National Company Law Tribunal (NCLT).

28. **Incentive for Prompt Payment / Advance Payment:**

An incentive at the rate of 0.25% of such bill shall be given to the following Consumers by way of adjustment in the subsequent month's bill:

(i) In the case of monthly bills exceeding Rs.1,00,000 (Rs. One lahs), if the payment is made 10 days in advance of the due date.

(ii) Advance payment exceeding Rs.1000 made by the Consumers towards monthly bills.

Note: The incentive for payment through ECS is discontinued.

29. Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka and amendments issued thereon from time to time and Regulations issued under the Electricity Act, 2003 will prevail over the extract given in this tariff book in the event of any discrepancy.

30. **Self-Reading of Meters:**

The Commission has approved Self-Reading of Meters by Consumers and issue of bills by the Licensee based on such readings and the Licensee shall take the reading at least once in six months and reconcile the difference, if any and raise the bills accordingly. This procedure may be implemented by the Licensee as stipulated under Clause 26.01 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

31. **Metering for 400 Voltas, 3 phase supply with requisition load above 50 kw to 150 kw:**

The accuracy class of metering for arranging power supply to consumers at Low Tension for loads between 50 KW to 150 KW shall be the same as prescribed for HT consumers.

The metering arrangement for consumers availing load between 50 KW to 150 KW at low tension shall be strictly arranged using a metering cubicle similar to that of a HT metering arrangement.

ELECTRICITY TARIFF-2024

PART-I

LOW TENSION SUPPLY

(400 Volts Three Phase and 230 Volts Single Phase Supply)

CONDITIONS APPLICABLE TO BILLING OF LT INSTALLATIONS:

1. In the case of LT Industrial / Commercial Consumers, **Demand Based Tariff** at the option of the Consumer, can be adopted. The Consumer is permitted to have more connected load than the sanctioned load. The billing demand will be the sanctioned load, or Maximum Demand recorded in the Tri-Vector Meter during the month, whichever is higher. If the Maximum Demand recorded is more than the sanctioned load, penal charges at two times the normal rate shall apply.

2. Use of power within the Consumer premises for bonafide temporary purpose is permitted, subject to the conditions that, total load of the installation on the system does not exceed the sanctioned load.

3. Where it is intended to use power supply temporarily, for floor polishing and such other portable equipment, in a premises having permanent power supply, such equipment shall be provided with earth leakage circuit breakers of adequate capacity.

4. The laboratory installations in educational institutions are allowed to install connected machineries up to 4 times the sanctioned load. The fixed charges shall however be on the basis of sanctioned load.

5. Besides combined lighting and heating, electricity supply under tariff schedules LT2 (a) & LT2 (b), can be used for Fans, Televisions, Radios, Refrigerators and other household appliances, including domestic water pumps and air conditioners, provided, they are under single meter connection. If a separate meter is provided for Air-conditioner load, the Consumer shall be served with a notice to merge this load, and to have a single meter for the entire load. Till such time, the air conditioner load will be billed under Commercial Tariff.

6. **Bulk LT supply:**

   If power supply for lighting / combined lighting & heating {LT 2(a)}, is availed through a bulk Meter for group of houses belonging to one Consumer, (i.e. where bulk LT supply is availed), the billing for energy shall be done at the slab rate for energy charges matching the consumption obtained, by dividing the bulk consumption by number of houses. In addition, fixed charges for the entire sanctioned load shall be charged as per Tariff schedule.

7. A rebate of 25 Paise per unit will be given for the House/ School/Hostels meant for Handicapped, Aged, Destitute and Orphans, Rehabilitation Centres under Tariff schedule LT 2(a).

8. **SOLAR REBATE: The Solar Rebate of 50 Paise per unit of electricity consumed subject to a maximum of Rs.50/- per installation per month hitherto allowed to tariff schedule LT-2(a) is now discontinued**.

9. A rebate of 20% on fixed charges and energy charges will be allowed in the monthly bill in respect of public Telephone booths having STD/ISD/ FAX facility run by handicapped people, under Tariff schedule LT 3.

10. A rebate of 2 paise per unit will be allowed if capacitors are installed as per Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka in respect of all metered IP Set Installations.

11. **Power Factor (PF):**

Capacitors of appropriate capacity shall be installed in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, in the case of installations covered under Tariff category LT 3, LT4, LT 5, & LT 6, where motive power is involved.

(i) The specified P.F. is 0.85. If the PF is found to be less than 0.85 Lag, a surcharge of 2 Paise per unit consumed will be levied for every reduction of P.F. by 0.01 below 0.85 Lag. In respect of LT installations, however, this is subject to a maximum surcharge of 30 Paise per unit.

(ii) The power factor when computed as the ratio of KWh/KVAH will be determined up to 3 decimals (ignoring figures in the other decimal places) and then rounded off to the nearest second decimal as illustrated below:

(a) 0.8449 to be rounded off to 0.84

(b) 0.8451 to be rounded off to 0.85

(iii) In respect of Electronic Tri-Vector meters, the recorded average PF over the billing period shall be considered for billing purposes.

(iv) During inspection, if the capacity of capacitors provided is found to be less than what is stipulated in Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, a surcharge of 30 Paise/unit will be levied in the case of installations covered under Tariff categories LT 3, LT 5, & LT 6 where motive power is involved.

(v) In the case of installations without electronic Tri-vector meters even after providing capacitors as recommended in Clause 23.01 and 23.03 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, if during any periodical or other testing / rating of the installation by the Licensee, the PF of the installation is found to be lesser than 0.85, a surcharge determined as above shall be levied from the billing month following the expiry of Three months' notice given by the Licensee, till such time, the additional capacitors are installed and informed to the Licensee in writing by the Consumer. This is also applicable for LT installations provided with electronic Tri-vector meters.

12. All new IP set applicants shall fix capacitors of adequate capacity in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka before taking service.

13. All the existing IP set Consumers shall also fix capacitors of adequate capacity in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, failing which, PF **surcharge at the rate of Rs.100 per HP/ year** shall be levied. If the capacitors are found to be removed / not installed, a penalty at the same rate as above (Rs. 100/-per HP / Year) shall be levied.

14. The Semi-permanent cinemas having Semi-permanent structure, with permanent wiring and licence of not less than one year, will be billed under commercial tariff schedule i.e., LT 3.

15. Touring cinemas having an outfit comprising cinema apparatus and accessories, taken from place to place for exhibition of cinematography films and also outdoor shooting units, will be billed under Temporary Tariff schedule i.e., LT 7.

16. The Consumers under IP set tariff schedule, shall use the energy only for pumping water to irrigate their own land as stated in the IP set application / water right certificate and for bonafide agriculture use. Otherwise, such installations shall be billed under appropriate Industrial / Commercial tariff, based on the recorded consumption, if available, or on the consumption computed as per the Table given under Clause 42.06 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

17. The water pumped for agricultural purposes may also be used by the Consumer for his bonafide drinking purposes and for supplying water to animals, birds, Poultry farms, Dairy farms and fish farms maintained by the Consumer in addition to agriculture.

18. The motor of IP set installations can be used with an alternative drive for other agricultural operations like sugar cane crusher, coffee pulping, **arecanut cutting** etc., with the approval of the Licensee. The energy used for such operation shall be metered separately by providing alternate switch and charged at LT Industrial Tariff (Only Energy charges) during the period of alternative use. However, if the energy used both for IP Set and alternative operation, is measured together by one energy meter, the energy used for alternate drive shall be estimated by deducting the average IP Set consumption for that month, as per the IP sample meter readings for the sub division, as certified by the sub-divisional Officer.

19. The IP Consumer is permitted to use energy for lighting the pump house and well limited to two lighting points of 40 Watts each.

20. Billing shall be made at least once in a quarter year for all IP sets.

21. In the case of welding transformers, the connected load shall be taken as:
a) Half the maximum capacity in KVA as per the nameplate specified under IS: 1851

OR

b) Half the maximum capacity in KVA as recorded during the rating by the Licensee, whichever is higher.

22. Electricity under Tariff LT 3 / LT 5 can also be used for Lighting, Heating and Air-conditioning, Yard-Lighting, water supply in the respective of premises of Commercial / Industrial Units.

23. **LED fittings** shall be provided by the Licensee for the Streetlights in the case of villages covered under the Licensee's electrification programme for initial installation.

In all other cases, the entire cost of fittings including Brackets, Clamps, etc., and labour for replacement, additions and modifications shall be met by the organizations making such a request. Labour charges shall be paid at the standard rates fixed by the Licensee for each type of fitting.

24. Lamps, fittings and replacements for defective components of fittings shall be supplied by the concerned Village Panchayaths, Town Panchayaths or Municipalities for replacement.

25. Fraction of KW / HP shall be rounded off to the nearest quarter KW / HP for purpose of billing and the minimum billing being for 1 KW / 1HP in respect of all categories of LT installations including I.P. sets. **In the case of street lighting installations, fraction of KW shall be rounded off to nearest quarter KW for the purpose of billing and the minimum billing shall be quarter KW.**

26. Seasonal Industries.

a) The industries which intend to utilize seasonal industry benefit, shall comply with the conditionality specified under Para no. 24 of the General terms and conditions of tariff (applicable to both HT & LT).

b) The industries that intend to avail this benefit shall have Electronic Tri-Vector Meter fitted to their installation.

c) **Monthly charges during the seasonal months shall be fixed charges and energy charges. The monthly charges during the off seasonal months shall be the energy charges plus 25% of the applicable fixed charges**.

TARIFF SCHEDULE LT-1

LT-1: Applicable to installations serviced under Bhagya Jyothi and Kutira Jyothi (BJ/KJ) schemes.

LT-1: RATE SCHEDULE Applicable for CESC Area	
Fixed Charges & Energy Charges:	
Commission Determined Tariff (CTD)	859 paise / Unit subject to a monthly minimum of Rs.100 per installation per month **[CDT comprises of fixed charge component of Rs.5.08 and variable charge component of Rs.3.51 per unit]**
NOTE: **(i) GOK is meeting the full cost of supply to BJ / KJ installations. However, if the GOK does not release the subsidy in advance, a Tariff of Rs.8.59 per unit subject to a monthly minimum of Rs.100 per installation per month, shall be demanded and collected from these consumers by CESC.** **(ii) If the consumption exceeds 40 units per month or any BJ/KJ installation is found to have more than one out let, it shall be billed as per Tariff Schedule LT 2(a).**	

TARIFF SCHEDULE LT-2(a)

LT-2(a): Applicable to lighting/combined lighting, heating and motive Power installations of residential houses and also to such houses where a portion is used by the occupant for (a) Handloom weaving (b) Silk rearing and reeling and artisans using motors up to 200 watts (c) Consultancy in - (i) Engineering (ii) Architecture (iii) Medicine (iv) Astrology (v) Legal matters (vi) Income Tax (vii) Chartered Accountants (d) Job typing (e) Tailoring (f) Post Office (g) Gold smithy (h) Chawki rearing (i) Paying guests/Home stay guests (j) personal Computers (k) Dhobis (l) Hand operated printing press (m) Beauty Parlours (n) Water Supply installations, Lift which is independently serviced for bonafide use of residential complexes/residence, (o) Farm Houses and yard lighting limiting to 120 Watts, (p) Fodder Choppers & Milking Machines with a connected load upto 1 HP.

Also applicable to the installations of (i) Hospitals, Dispensaries, Health Centres run by State/Central Govt. and local bodies; (ii) Houses, schools and Hostels meant for handicapped, aged, destitute and orphans; (iii) Rehabilitation Centres run by charitable institutions, AIDS and drug addicts Rehabilitation Centres; (iv) Railway staff Quarters with single meter (v) fire service stations.

It is also applicable to the installations of (a) Temples, Mosques, Churches, Gurudwaras, Ashrams, Mutts and religious/Charitable institutions; (b) Hospitals, Dispensaries and Health Centres run by Charitable institutions including X-ray units; (c) Jails and Prisons (d) Schools, Colleges, Educational institutions run by State/Central Govt.,/Local Bodies; (e) Seminaries; (f) Hostels run by the Government, Educational Institutions, Cultural, Scientific and Charitable Institutions (g) Guest Houses/Travellers Bungalows run in Government buildings or by State/Central Govt./Religious/Charitable institutions; (h) Public libraries; (i) Museums; (j) Installations of Historical Monuments of Archaeology Departments;(k) Public Telephone Booths without STD/ISD/FAX facility run by handicapped people; (l) Sulabh / Nirmal Souchalayas; (m) Viswa Sheds having Lighting Loads only; (m) Gaushalas.

LT-2(a): RATE SCHEDULE Applicable for all areas	
Fixed Charges / KW /Month:	
Per KW Upto 50 KW	Rs.110/-
For every additional KW above 50 KW	Rs.210/-
Energy Charges per kWh:	
0 to 100 Units	475 paise
0 to All Units **[if the total consumption exceeds 100 units]**	700 paise
Note: **(i) Consequent to the merger of rural category under urban category, a rebate of 30 paise per unit shall be allowed to the consumers falling under village panchayat areas.** (ii) Temples, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious / Charitable Institution availing the power supply for religious activities under LT supply, shall be categorized and billed under this Tariff schedule. If these institutions use the power for Kalyana Mantapas / Marriage hall, Restaurant or for any other commercial activity, not related to religious activities, such energy consumption shall be billed under LT-3 tariff schedule.	

TARIFF SCHEDULE LT-2(b)

LT-2(b): Applicable to the installations of Private Professional and other Private Educational Institutions including aided, unaided institutions, Nursing Homes and Private Hospitals having only lighting or combined lighting & heating, and motive power.

LT-2(b): RATE SCHEDULE Applicable for all areas	
Fixed Charges / KW / Month:	
Per KW Upto 50 KW	Rs.180/-
For every additional KW above 50 KW	Rs.250/-
Energy Charges per kWh:	
For entire consumption	775 paise / Unit
Note: **Consequent to the merger of rural category under urban category, a rebate of 30 paise per unit shall be allowed to the consumers falling under village panchayat areas.**	

Note: [Applicable to LT-2 (a), LT-2 (b) Tariff Schedules]

1. A rebate of 25 paise per unit shall be given for installation of a house/ School/ Hostels meant for Handicapped, Aged, Destitute and Orphans, Rehabilitation Centres run by Charitable Institutions.
2. (a) Use of power within the consumer's premises for temporary purposes for bonafide use is permitted subject to the condition that, the total load of the installation on the system does not exceed the sanctioned load.

   (b) Where it is intended to use floor polishing and such other portable equipment temporarily, in the premises having permanent supply, such equipment shall be provided with an earth leakage circuit breaker of adequate capacity.
3. The laboratory installations in educational institutions are allowed to install connected machinery up to 4 times the sanctioned load. The fixed charges shall however be on the basis of sanctioned load.
4. Besides lighting and heating, electricity supply under this schedule can be used for fans, Televisions, Radios, Refrigerators and other house-hold appliances including domestic water pump and air conditioners, provided, they are under single meter connection. If a separate meter is provided for Air Conditioner Load, the consumption shall be under commercial tariff till it is merged with the main meter.
5. **SOLAR REBATE: The Solar Rebate of 50 Paise per unit of electricity consumed subject to a maximum of Rs.50/- per installation per month hitherto allowed to tariff schedule LT-2(a) is now discontinued.**

TARIFF SCHEDULE LT-3(a)

LT-3(a): **Applicable to Commercial Lighting, Heating and Motive Power installations of Clinics, Diagnostic Centres, X-Ray units, Shops, Stores, Hotels / Restaurants / Boarding and Lodging Homes, Bars, Private guest Houses, Mess, Clubs, Kalyan Mantaps / Choultry, permanent Cinemas/ Semi Permanent Cinemas, Theatres, Petrol Bunks, Petrol, Diesel and oil Storage Plants, Service Stations/ Garages, Banks, Telephone Exchanges. T.V. Stations, Microwave Stations, All India Radio, Dish Antenna, Public Telephone Booths/ STD, ISD, FAX Communication Centers, Stud Farms, Race Course, Ice Cream Parlours, Computer Centres, Photo Studio / colour Laboratory, Photo Copiers, Railway Installation excepting Railway workshop, BMTC / KSRTC Bus Stations excepting Workshop, All offices, Police Stations, Commercial Complexes, Lifts of Commercial Complexes, Battery Charging units, Tyre Vulcanizing Centres, Post Offices, Bakery shops, Beauty Parlours, Stadiums other than those maintained by Govt. and Local Bodies. It is also applicable to water supply pumps and street lights not covered under LT 6, Cyber cafés, Internet surfing cafes, Call centres, BPO / KPO, Telecom, I.T. based medical transcription centres, Private Hostels not covered under LT -2 (a), Home Stay / Paying guests accommodation provided in an independent / exclusive premises, concrete mixtures (Ready Mix Concrete) units..**

LT-3(a): RATE SCHEDULE Applicable for all areas	
Fixed Charges / KW / Month:	
Per KW Upto 50 KW	Rs.200/-
For every additional KW above 50 KW	Rs.300/-
Energy Charges per kWh:	
For entire consumption	850 paise

LT-3(a): RATE SCHEDULE [Applicable for all areas] DEMAND BASED TARIFF (optional) where sanctioned load is above 5 KW but below 150 KW	
Fixed Charges / KW / Month:	
Per KW Upto 50 KW	Rs.220/-
For every additional KW above 50 KW	Rs.320/-
Energy Charges per kWh:	
For entire consumption	850 paise

Note: [Applicable to LT-3(a)]

1. **Consequent to the merger of rural category under urban category, a rebate of 30 paise per unit shall be allowed to the consumers falling under village panchayat areas.**

2. Besides Lighting, Heating and Motive power, electricity supply under this Tariff can also be used for Yard lighting/ air Conditioning/water supply in the premises.

3. The semi-permanent Cinemas should have semi-Permanent Structure with permanent wiring and licence for duration of not less than one year.

4. Touring Cinemas having an outfit comprising Cinema apparatus and accessories taken from place to place for exhibition of cinematography film and also outdoor shooting units shall be billed under LT- 7 Tariff.
5. A rebate of 20% on fixed charges and energy charges shall be allowed in the monthly bill in respect of telephone Booths having STD / ISD/FAX facility run **by handicapped people.**

6. **Demand based Tariff** at the option of the consumer can be adopted as per Para 1 of the conditions applicable to LT installations.

TARIFF SCHEDULE LT-3(b)

LT-3(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-3(b): RATE SCHEDULE **Applicable for all areas**	
Fixed Charges / KW / Month:	
Less than 67 HP only	Rs.200/-
Energy Charges per kWh:	
For entire consumption	1050 paise

TARIFF SCHEDULE LT-4 (a), LT-4 (b) & LT-4(c)

LT-4: **Applicable to (a) Agricultural Pump Sets including Sprinklers (b) Pump sets used in; (i) Nurseries of forest and Horticultural Departments; (ii) Grass Farms and Gardens; (iii) Plantations other than Coffee, Tea, Rubber and Private Horticulture Nurseries.**

LT-4(a): RATE SCHEDULE Applicable to I.P. Sets up to and inclusive of 10 HP Applicable for CESC Area	
Fixed Charges & Energy Charges:	
Commission Determined Tariff (CTD)	692 paise / Unit **[CDT comprises of fixed charge component of Rs.4.09 and variable charge component of Rs.2.83 per unit]**
NOTE: **(i) In case the GoK does not release the subsidy in advance, in the manner specified by the Commission in Clause 6.1 of the KERC (Manner of Payment of Subsidy) Regulations, 2008, CDT of Rs.6.92 per unit shall be demanded and collected from these consumers.** **(ii) This Tariff is applicable for Coconut and Arecanut plantations also.**	

LT-4(b): RATE SCHEDULE Applicable to IP sets above 10 HP Applicable for all areas	
Fixed Charges / HP / Month:	
Per HP	Rs.135/-
Energy Charges per kWh:	
For entire consumption	410 paise

LT-4(c): RATE SCHEDULE Applicable to Private Horticultural Nurseries, Coffee, Nurseries of forest and Horticultural Departments, Grass Farms and Gardens, Tea and Rubber plantations Applicable for all areas	
Fixed Charges / HP / Month:	
Per HP	Rs.135/-
Energy Charges per kWh:	
For entire consumption	425 paise

Note: [Applicable to LT-4]

1. The energy supplied under this tariff shall be used by the consumers only for pumping water to irrigate their own land as stated in the I.P. Set application / water right certificate and for bonafide agriculture use. Otherwise, such

installations shall be billed under the appropriate Tariff (LT-3/ LT-5) based on the recorded consumption if available, or on the consumption computed as per the Table given under Clause 42.06 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

2. The motor of IP set installations can be used with an alternative drive for other agricultural operations like sugar cane crusher, coffee pulping, arecanut cutting etc., with the approval of the Licensee. The energy used for such operation shall be metered separately by providing alternate switch and charged at LT Industrial Tariff (Only Energy charges) during the period of alternative use. If the energy used both for IP Set and alternative operation, is however measured together by one energy meter, the energy used for alternate drive shall be estimated by deducting the average IP Set consumption for that month as per the IP sample meter readings for the sub division as certified by the sub-divisional Officer.

3. The Consumer is permitted to use the energy for lighting the pump house and well limited to 2 lighting points of 40 W each.

4. The water pumped for agricultural purposes may also be used by the Consumer for his bonafide drinking purposes and for supplying water to animals, birds, Poultry farms, Dairy farms and fish farms maintained by the Consumer in addition to agriculture.

5. Billing shall be made at least once in a quarter year for all IP sets.

6. A rebate of 2 paise per unit will be allowed if capacitors are installed as per Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka in respect of all metered IP Set Installations.

7. Only fixed charges as in Tariff Schedule for Metered IP Set Installations shall be collected during the disconnection period of IP Sets under LT 4(a), LT 4(b) and LT 4(c) categories irrespective of whether the IP Sets are provided with Meters or not.

TARIFF SCHEDULE LT-5

LT-5: **Applicable to Heating & Motive power (including lighting) installations of industrial Units, Industrial Workshops, Poultry Farms, Sugarcane Crushers, Coffee Pulping, Cardamom drying, Mushroom raising installations, Flour, Huller & Rice Mills, Wet Grinders, Milk dairies, Ironing, Dry Cleaners and Laundries having washing, Drying, Ironing etc., Tailoring shop, Bulk Ice Cream and Ice manufacturing Units, Coffee Roasting and Grinding Works, Cold Storage Plants, Bakery**

Product Mfg. Units, BMTC/ KSRTC workshops/Depots, Railway workshops, Drug manufacturing units and Testing laboratories, Printing Presses, Garment manufacturing units, Bulk Milk vending Booths, Swimming Pools of local Bodies, Tyre retreading units, Stone crushers, Stone cutting, Chilly Grinders, Phova Mills, pulverizing Mills, Decorticators, Iron & Red-Oxide crushing units, crematoriums, hatcheries, Tissue culture, Saw Mills, Toy/wood industries, Viswa Sheds with mixed load sanctioned under Viswa Scheme, Cinematic activities such as Processing, Printing, Developing, Recording theatres, Dubbing Theatres and film studios, Agarbathi manufacturing unit., Water supply installations of KIADB & industrial units, Gem & Diamond cutting Units, Floriculture, Green House, Biotech Labs., Hybrid seed processing units. Information Technology industries engaged in development of hardware & Software, Information Technology (IT) enabled Services / Start-ups (As defined in GOI notification dated 17.04.2015)/ Animation / Gaming / Computer Graphics as certified by the IT & BT Department of GOK/GOI, Silk rearing, Silk filature units, Aqua Culture, Prawn Culture, Brick manufacturing units, Silk / Cotton colour dying, Stadiums maintained by Govt. and local bodies, Fire service stations, Gold / Silver ornament manufacturing units, Effluent treatment plants and Drainage water treatment plants independently serviced outside the premises of the installation for which the power supply is availed, LPG bottling plants and petroleum pipeline projects, Piggery farms, Analytical Lab. for analysis of ore metals, Satellite communication centres, Mineral water processing plants / drinking water bottling plants soda fountain units and Solid Waste Processing Plant, Animal husbandry activities, Transformer Repair Centres, Data Centres (on production of necessary certificate issued by Department of Electronics, Information Technology & Biotechnology and Science & Technology).

LT-5: RATE SCHEDULE Applicable for all areas	
Fixed Charges / HP / Month:	
Below 100 HP	Rs.140/-
100 HP and above	Rs.250/-
Energy Charges per kWh:	
0 to 500 Units	610 paise
Above 500 Units	710 paise

LT-5: RATE SCHEDULE DEMAND BASED TARIFF (Optional) [Applicable for all areas]	
Fixed Charges / HP / Month:	
Below 100 HP	Rs.190/-
100 HP and above	Rs.300/-
Energy Charges per kWh:	
0 to 500 Units	610 paise
Above 500 Units	710 paise

Note: [Applicable to LT-5]

1. **Consequent to the merger of rural category under urban category, a rebate of 30 paise per unit shall be allowed to the consumers falling under village panchayat and Town Municipal Council areas.**

2. **Rebate of 50 paise per unit in Energy Charges shall be extended to Micro & Small scale industries as certified by the Government of Karnataka/ Government of India, until further orders.**

3. **Rebate of Re.1/- per unit in Energy Charges shall be extended to Ice Manufacturing Units / Cold Storage plants used for fisheries purpose that are situated in the coastal belt area of Karnataka State within radius of 5 Kms from Sea. In case these plants are situated beyond the radius of 5 Kms from Sea, such consumers are also eligible to avail the rebate benefit, provided that such consumers have to submit a certification from the authorities of Fisheries Department that their activities are actually meant for fisheries purpose only.**

LT-5: ToD Tariff (Optional)		
Time of Day	**From July to November (monsoon period) (paise / unit)**	**From December to June (paise / unit)**
06.00 Hrs to 10.00 Hrs	0	0
10.00 Hrs to 18.00 Hrs	0	0
18.00 Hrs to 22.00 hrs	0	(+)100
22.00 Hrs to 06.00 Hrs	0	(-)100

Note: [Applicable to LT-5 DEMAND BASED TARIFF]

1. In the case of LT Industrial Consumers, **Demand based Tariff** at the option of the Consumer can be adopted. The Consumer is permitted to have more connected load than the sanctioned load. The billing demand will be the sanctioned load or Maximum Demand recorded in the Tri-Vector Meter during the month whichever is higher. If the Maximum Demand recorded is more than the sanctioned load, penal charges at two times the normal rate shall apply.

2. **Seasonal Industries**: The industries which intend to utilize seasonal industry benefit shall comply with the conditionalities under para no. 26 of general terms and conditions applicable to LT.

3. Electricity can also be used for lighting, heating, and air-conditioning in the premises.

4. In the case of welding transformers, the connected load shall be taken as, (a) Half the maximum capacity in KVA as per the name plate specified under-IS1851, or (b) Half the maximum capacity in KVA as recorded during rating by the Licensee, whichever is higher.

TARIFF SCHEDULE LT-6

LT-6: **Applicable to water supply and sewerage pumping installations and also applicable to water purifying plants maintained by Government and Urban Local Bodies/ Grama Panchayats for supplying pure drinking water to residential areas Public Street lights/Park lights of village Panchayat, Town Panchayat, Town Municipalities, City Municipalities / Corporations / State and Central Govt. / APMC, Traffic signals, Surveillance Cameras at traffic locations belonging to Government Department, subways, water fountains of local bodies. Also applicable to Streetlights of residential Campus of universities, other educational institutions, housing colonies approved by local bodies/development authority, religious institutions, organizations run on charitable basis, industrial area / estate and notified areas, also applicable to water supply installations in residential Layouts, Street lights along with signal lights including the gateman's shed with associated equipment provided at the Railway level crossing, high mast street lights, Lifts/ Escalators installed in pedestrian road crossing maintained by Government and Urban local bodies/ Grama Panchayats independently serviced and Electric Vehicle Charging Station.**

LT-6(a): RATE SCHEDULE WATER SUPPLY - Applicable for all areas	
Fixed Charges / HP / Month:	
Upto and inclusive of 67 HP	Rs.175/-
For every additional HP above 67 HP	Rs.275/-
Energy Charges per kWh:	
For entire consumption	550 paise

LT-6(b): RATE SCHEDULE PUBLIC LIGHTING - Applicable for all areas	
Fixed Charges / KW / Month:	
Per KW	Rs.175/-
Energy Charges per kWh:	
For entire consumption	700 paise
Energy charges for LED / Induction Lighting	600 paise

LT-6(c): RATE SCHEDULE Electric Vehicle Charging Stations/ Battery Swapping Stations (for Both LT & HT) -Applicable to all areas	
Fixed Charges / KW / Month:	
LT: Upto and inclusive of 50 KW	Rs.70/-
LT: For every additional KW above 50 KW	Rs.170/-
HT: (per KVA / Month of billing demand)	**Rs.200/-**
Energy Charges per kWh:	
For entire consumption	450 paise

LT-6(c): ToD Tariff for the EV charging stations in the Depots of BMTC / KSRTC / NEKRTC / NWKRTC who have availed HT power supply for charging the Electric Motor Vehicles		
Time of Day	**From July to November (monsoon period) (paise / unit)**	**From December to June (paise / unit)**
06.00 Hrs to 10.00 Hrs	0	0
10.00 Hrs to 18.00 Hrs	0	0
18.00 Hrs to 22.00 hrs	0	(+)100
22.00 Hrs to 06.00 Hrs	0	(-)100

TARIFF SCHEDULE LT-7

LT-7: Temporary Supply

LT-7: RATE SCHEDULE Applicable for all areas	
Fixed Charges / HP / Month:	
Less than 67 HP	Rs.200/-
Energy Charges per kWh:	
For entire consumption	1150 paise

Note: [Applicable to LT-7]

1. **Billing of LT-7 installations shall be on monthly basis, similar to other category of consumers, however, subject to the provisions of the Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka (CoS) (Eleventh Amendment), 2023.**

2. Temporary power supply with or without extension of distribution main shall be arranged through a pre–paid energy meter duly observing the provisions of Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

3. This Tariff is also applicable to touring cinemas having licence for duration less than one year.

4. All the conditions regarding temporary power supply as stipulated in Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be complied with before service.

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ELECTRICITY TARIFF - 2024

PART-II

HIGH TENSION SUPPLY

Applicable to Bulk Power Supply of Voltages at 11KV (including 2.3/4.6 KV) and above at Standard High Voltage or Extra High Voltages when the Contract Demand is 50 KW / 67 HP and above.

CONDITIONS APPLICABLE TO BILLING OF HT INSTALLATIONS:

1. **Billing Demand**

A) The billing demand during unrestricted period shall be the maximum demand recorded during the month or 85% of the CD, whichever is higher.

B) When the Licensee has imposed demand cut of 25% or less, the conditions stipulated in (A) shall apply.

C) When the demand cut is in excess of 25%, the billing demand shall be the maximum demand recorded or 85% of the restricted demand, whichever is higher.

D) If at any time the maximum demand recorded exceeds the CD or the demand entitlement, or opted demand entitlement during the period of restrictions, if any, the Consumer shall pay for the quantum of excess demand at two times the normal rate per KVA per month as deterrent charges as per Section 126(6) of the Electricity Act, 2003. For over-drawal during the billing period, the penalty shall be two times the normal rate.

E) During the periods of disconnection, the billing demand shall be 85% of CD, or 85% of the demand entitlement that would have been applicable, had the installation been in service, whichever is less. This provision is applicable only, if the installation is under disconnection for the entire billing month.

F) During the period of energy cut, the Consumer may get his demand entitlement lowered, but not below the percentage of energy entitlement, (For example, in case the energy entitlement is 40% and the demand entitlement is 80%, the re-fixation of demand entitlement cannot be lower than 40% of the CD). The benefit of lower demand entitlement will be given effect to from the meter reading date of the same month, if the option is exercised on or before 15th of the month. If the option is exercised on or after 16th of the month, the benefit will be given effect to from the next meter reading date. The Consumer shall register such option by paying a processing fee of Rs.100 at the Jurisdictional sub-division office.

(i) The billing demand in such cases, shall be the “Revised (Opted) Demand Entitlement” or, the recorded demand, whichever is higher. Such option for reduction of demand entitlement, is allowed only once during the entire span of that particular “Energy Cut Period”. The Consumer, can however, opt for a higher demand entitlement upto the level permissible under the demand cut notification, and the benefit will be given effect to from the next meter reading date. Once the Consumer opts for enhancement of demand, which has been reduced under Clause (F), no further revision is permitted during that particular energy cut period.

(ii) The opted reduced demand entitlement will automatically cease to be effective, when the energy cut is revised. The facility for reduction and enhancement can however be exercised afresh by the Consumer as indicated in the previous paras.

G) For the purpose of billing, the billing demand of 0.5 KVA and above will be rounded off to the next higher KVA, and billing demand of less than 0.5 KVA shall be ignored.

2. **Power factor (PF)**

It shall be the responsibility of the HT Consumer to determine the capacity of PF correction apparatus and maintain an average PF of not less than 0.90.

(i) The specified P.F. is 0.90. If the power factor goes below 0.90 Lag, a surcharge of 3 Paise per unit consumed will be levied for every reduction of P.F. by 0.01 below 0.90 Lag.

(ii) The power factor when computed as the ratio of KWh / KVAh will be determined up to 3 decimals (ignoring figures in the other decimal places), and then rounded off to the nearest second decimal as illustrated below:

(a) 0.8949 to be rounded off to 0.89
(b) 0.8951 to be rounded off to 0.90

In respect of Electronic Tri-Vector meters, the recorded average PF over the billing period shall be considered for billing purposes. If the same is not available, the ratio of KWh to KVAh consumed in the billing month shall be considered.

3. **Rebate for supply at high voltage:**

If the Consumer is availing power at voltage higher than 13.2 KV, then consumer will be entitled to a rebate as indicated below:

Supply Voltage: Rebate

A) 33/66 KV 2 Paise/unit of energy consumed
B) 110 KV 3 Paise/unit of energy consumed
C) 220 KV 5 Paise/unit of energy consumed

The above rebate will be allowed in respect of all the installations of the above voltage class, including the existing installations, and also for installations converted from 13.2 KV and below to 33 KV and above and also for installations converted from 33/66 KV to 110/220 KV, from the next meter reading date after conversion / service / date of notification of this Tariff order, as the case may be. The above rebate is applicable only on the normal energy consumed by the Consumer including the consumption under TOD Tariff, and is not applicable on any other energy allotted and consumed, if any, viz.,

i) Wheeled Energy.

ii) Any energy, including the special energy allotted over and above normal entitlement.

iii) Energy drawal under special incentive scheme, if any.

The above rebate is not applicable for BMRCL and Railway Traction.

4. In respect of Residential Quarters / Colonies availing Bulk power supply by tapping the main HT supply, the energy consumed by such Colony loads, metered at single point, shall be billed under HT-4 tariff schedule. No reduction in demand recorded in the main HT meter will be allowed.

5. Energy supplied may be utilized for all purposes associated with the working of the installations, such as, Office, Stores, Canteens, Yard Lighting, Water Supply and Advertisements within the premises.

6. Energy can also be used for construction, modification and expansion purposes within the premises.

7. Power supply under HT-4 tariff schedule may be used for Commercial and other purposes inside the colony for installations such as Canteen, Club, Shop, Auditorium etc., provided, this load is less than 10% of the CD.

8. In respect of Residential Apartments, availing HT Power supply under HT-4 tariff schedule, the supply availed for Commercial and other purposes like Shops, Hotels, etc., will be billed under appropriate tariff schedule (Only Energy charges) duly deducting such consumption in the main HT supply bill. No reduction in the recorded demand of the main HT meter is allowed. Common areas shall be billed at Tariff applicable to that of the predominant Consumer category.

9. **Seasonal Industries**
   a. The industries, which intend to utilize seasonal industry benefit, shall conform to the conditionality's under Para no. 24 of the General terms and conditions of tariff (applicable to both HT & LT).

   b. The industries that intend to avail this benefit shall have Electronic Tri-Vector Meter fitted to the installation.

   c. Monthly charges during the working season, shall be the demand charges on **85%** of the contract demand, or the recorded maximum demand during the month, whichever is higher, plus the energy charges for the energy consumed.

   d. Monthly charges during t**he <u>off season</u>** shall be demand charges on the maximum demand recorded during the month **or 50% of the Contract Demand whichever is higher plus the energy charges** for the energy consumed**.**

e. **Monthly charges during <u>off season</u> period to the installation of Ice Manufacturing units / Cold Storage Plants used for fisheries purpose situated in the coastal belt of Karnataka State within the radius of 5 Kms from Sea only, shall be the demand charges on the maximum demand recorded during the month or 85% of the contract demand whichever is higher at 50% of the normal demand charges plus energy charge** for the energy consumed.

f. ***In addition to the concession in the Demand Charges, a rebate in the energy charges by Re.1 per unit for the energy consumed during the year shall be allowed to the installations of Ice manufacturing units / cold storage plants used for fisheries purpose, situated in the coastal belt area of Karnataka State within a radius of 5 Kms. from Sea and also to extend the similar benefit to such plants which are situated beyond the radius of 5 Kms from Sea provided that such consumers have to submit a certification from the authorities of Fisheries Department that their activities are actually meant for fisheries purpose only.***

10. **The reduction of Re.1 per unit in the ToD tariff for the energy consumed between 22.00 Hrs to 06.00 Hrs next day is not applicable to HT consumers who opt for the Special Incentive Scheme.**

11. **The increase in energy charges under ToD tariff at (+) Re.1 per unit for the energy consumed during evening peak period i.e. between 18.00 Hrs to 22.00 Hrs during December to June period is applicable to all the HT consumers including the consumers opted under special incentive scheme.**

12. **The ToD tariff approved by the Commission in this Tariff Order is not applicable to the extent of the energy consumed and billed under the new <u>'Discounted Energy Rate Scheme'.</u> However, ToD tariff shall be applicable up to the base monthly average consumption, as computed by the licensee.**

TARIFF SCHEDULE HT-1

HT-1: **Applicable to Water Supply, Drainage / Sewerage water treatment plant and Sewerage Pumping installations, belonging to Bangalore Water Supply and Sewerage Board, Karnataka Urban Water Supply and Sewerage Board, other local bodies, State and Central Government..**

HT-1: RATE SCHEDULE Applicable for all areas	
Demand Charges per KVA of billing demand / month:	
Per KVA	Rs.350/-
Energy Charges per kWh:	
For entire consumption	600 paise

HT-1: ToD Tariff (Optional)		
Time of Day	**From July to November (monsoon period) (paise / unit)**	**From December to June (paise / unit)**
06.00 Hrs to 10.00 Hrs	0	0
10.00 Hrs to 18.00 Hrs	0	0
18.00 Hrs to 22.00 hrs	0	(+)100
22.00 Hrs to 06.00 Hrs	0	(-)100

Note: [Applicable to HT-1]
Energy supplied to residential quarters availing bulk supply by the above category of Consumer, shall be metered separately at a single point, and the energy consumed shall be billed at HT-4 Tariff. No reduction in the demand recorded in the main HT meter will be allowed.

TARIFF SCHEDULE HT-2(a)

HT-2(a): Applicable to Industries, Factories, Industrial Workshops, Research & Development Centres, Industrial Estates, Milk dairies, Rice Mills, Poha Mills, Roller Flour Mills, News Papers, Printing Press, Railway Workshops/KSRTC Workshops/ Depots, Crematoriums, Cold Storage, Ice & Ice-cream mfg. Units, Swimming Pools of local bodies, Water Supply Installations of KIADB and other industries, all Defence Establishments, Hatcheries, Poultry Farm, Museum, Floriculture, Green

House, Bio Technical Laboratory, Hybrid Seeds processing Units, Stone Crushers, Stone cutting, Bakery Product Manufacturing Units, Mysore Palace illumination, Film Studios, Dubbing Theatres, Processing, Printing, Developing and Recording Theatres, Tissue Culture, Aqua Culture, Prawn Culture, Information Technology Industries engaged in development of Hardware & Software, Information Technology (IT) enabled Services / Start-ups(As defined in GOI notification dated 17.04.2015)/ Animation / Gaming / Computer Graphics as certified by the IT & BT Department of GOK/GOI, Drug Mfg. Units, Garment Mfg. Units, Tyre retreading units, Nuclear Power Projects, Stadiums maintained by Government and local bodies, Railway Traction, Effluent treatment plants and Drainage water treatment plants owned other than by the local bodies, independently serviced outside the premises of industries/ Buildings for which the HT power supply is availed. LPG bottling plants, petroleum pipeline projects, Piggery farms, Analytical Lab for analysis of ore metals, Saw Mills, Toy/wood industries, Satellite communication centres, Mineral water processing plants / drinking water bottling plants and Solid Waste Processing Plant, Data Centres (on production of necessary certificate issued by Department of Electronics, Information Technology & Biotechnology and Science & Technology.

HT-2(a): RATE SCHEDULE [Applicable for all areas]	
Demand Charges per KVA of Billing Demand / month:	
Per KVA	Rs.350/-
Energy Charges per kWh:	
For entire consumption	740 paise

HT-2(a) – Bangalore Metropolitan Railway Corporation Limited (BMRCL) RATE SCHEDULE	
Demand Charges per KVA of Billing Demand / month:	
Per KVA	Rs.300/-
Energy Charges per kWh:	
For entire consumption	525 paise
Note: Special Incentive scheme and ToD Tariff is not applicable to BMRCL installations.	

HT-2(a) – Railway Traction: RATE SCHEDULE Applicable for all areas	
Demand Charges per KVA of Billing Demand / month:	
Per KVA	Rs.350/-
Energy Charges per kWh:	
For entire consumption	700 paise
Note: **The ToD tariff is applicable to these installations if the Special Incentive Scheme is not opted. However, they are eligible to avail the "Discounted Energy Rate Scheme".**	

HT2(a): Effluent Treatment Plants independently serviced outside the premises of any installation: RATE SCHEDULE Applicable for all areas	
Demand Charges per KVA of Billing Demand / month:	
Per KVA	Rs.350/-
Energy Charges per kWh:	
For entire consumption	700 paise
Note: **The ToD tariff is applicable to these installations if the Special Incentive Scheme is not opted.**	

TARIFF SCHEDULE HT-2(b)

HT-2(b): **Applicable to Commercial Complexes, Cinemas, Hotels, Boarding & Lodging, Amusement Parks, Telephone Exchanges, Race Course, All Clubs, T.V. Station, All India Radio, Railway Stations, Air Port, BMTC,KSRTC bus stations, All offices, Banks, Commercial Multi-storied buildings, APMC Yards, Stadiums other than those maintained by Government and Local Bodies, Construction power for irrigation, Power Projects and Konkan Railway Project, Petrol / Diesel and Oil storage plants, I.T. based medical transcription centers, telecom, call centres / BPO / KPO, Diagnostic centres, concrete mixture (Ready Mix Concrete) units, Private Guest Houses / Travelers Bungalows.**

All the activities listed under LT3 tariff schedule and not included under HT2(b) tariff schedule shall be classified and billed under HT-2(b), if they avail power under HT supply.

HT-2(b): RATE SCHEDULE Applicable for all areas	
Demand Charges per KVA of Billing Demand / month:	
Per KVA	Rs.375/-
Energy Charges per kWh:	
For entire consumption	925 paise

TARIFF SCHEDULE HT-2(c)(i)

HT-2(c)(i): **Applicable to Government Hospitals, Hospitals run by Charitable Institutions, ESI hospitals, Universities and Educational Institutions belonging to Government and Local bodies, Aided Educational Institutions and Hostels of all Educational Institutions.**

HT-2(c)(i): RATE SCHEDULE Applicable for all areas	
Demand Charges per KVA of Billing Demand / month:	
Per KVA	Rs.300/-
Energy Charges per kWh:	
For entire consumption	750 paise

TARIFF SCHEDULE HT-2(c)(ii)

HT-2(c)(ii): **Applicable to Hospitals and Educational Institutions other than those covered under HT-2 (c) (i).**

HT-2(c)(ii): RATE SCHEDULE Applicable for all areas	
Demand Charges per KVA of Billing Demand / month:	
Per KVA	Rs.350/-
Energy Charges per kWh:	
For entire consumption	850 paise

Note: [Applicable to HT-2a, HT-2b, HT-2c(i) and HT-2c(ii) tariff category]

1. Energy supplied may be utilized for all purposes associated with the working of the installation such as offices, stores, canteens, yard lighting, water pumping and advertisement within the premises.

2. Energy can be used for construction, modification and expansion purposes within the premises.

3. The tariff HT-2(b) is not applicable for construction of new industries. Such power supply shall be availed only under the temporary category HT-5.
4. In respect of consumer availing HT power supply, the energy used for Effluent Treatment Plant and Drainage water treatment plants situated within the premises of the installation from the main meter or by fixing the separate sub-meter, the electricity consumed by such Effluent Treatment Plant and Drainage Water Treatment Plants shall be billed at the respective applicable tariff schedule for which the power supply is availed for the installation.

HT-2(a), HT-2(b), HT-2c(i) & HT-2c(ii): ToD Tariff		
Time of Day	**From July to November (monsoon period) (paise / unit)**	**From December to June (paise / unit)**
06.00 Hrs to 10.00 Hrs	0	0
10.00 Hrs to 18.00 Hrs	0	0
18.00 Hrs to 22.00 hrs	0	(+)100
22.00 Hrs to 06.00 Hrs	0	(-)100
Note: The ToD tariff is not applicable to BMRCL & Railway Traction installations.		

TARIFF SCHEDULE HT-3

HT-3: Applicable to all Lift Irrigation schemes and Lift Irrigation Societies

HT-3: RATE SCHEDULE Applicable for all areas	
Fixed Charges per HP / month:	
Per HP	Rs.150/-
Energy Charges per kWh:	
For entire consumption	350 paise

TARIFF SCHEDULE HT-4

HT-4: Applicable to Residential apartments and colonies (whether situated outside or inside the premises of the main HT Installation) availing power supply independently or by tapping the main H.T. line. Power supply can be used for residences, theatres, shopping facility, club, hospital, guest house, yard/street lighting, canteen located within the colony and Temple, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious /Charitable institutions using power for religious activities.

HT-4: RATE SCHEDULE Applicable for all areas	
Fixed Charges per HP / month:	
Per KVA	Rs.300/-
Energy Charges per kWh:	
For entire consumption	725 paise

Note: [Applicable to HT-4 category]

1. In respect of residential colonies availing power supply by tapping the main H.T. supply, the energy consumed by such colony loads metered at a single point, is to be billed at the above energy rate. No reduction in the recorded demand of the main H.T. supply is allowed.

2. Energy under this tariff may be used for commercial and other purposes inside the colonies, for installations such as, Canteens, Clubs, Shops, Auditorium etc., provided, this commercial load is less than 10% of the Contract demand.

3. In respect of Residential Apartments, availing HT Power supply under HT-4 tariff schedule, the supply availed for Commercial and other purposes like Shops, Hotels, etc., will be billed under appropriate tariff schedule (Only Energy charges), duly deducting such consumption in the main HT supply bill. No reduction in the recorded demand of the main HT meter is allowed. Common areas shall be billed at Tariff applicable to the predominant Consumer category.

4. Temples, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious / Charitable Institution availing the power supply for religious activities under HT supply, shall be categorized and billed under HT-4 Tariff schedule. If these institutions use the power for Kalyana Mantapas / Marriage hall, Restaurant or for any other commercial activity, not related to religious activities, such energy consumption shall be billed under HT-2(b) tariff schedule (only energy charges) duly deducting such consumption recorded in the main HT meter. However, no reduction in the demand charges towards the recorded demand in the main HT meter shall be allowed. In all such cases, it shall be ensured that sub-meters are provided to record such commercial consumption separately.

TARIFF SCHEDULE HT-5

HT-5: **Temporary Power Supply**:

Tariff applicable to sanctioned load of 67 HP and above for 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.

HT-5: RATE SCHEDULE Applicable for all areas	
Fixed Charges per HP / month:	
Per HP for the entire contract demand	Rs.400/-
Energy Charges per kWh:	
For entire consumption	1150 paise

Tariff applicable to Bangalore International Exhibition Centre, for power supply availed on temporary basis with the contract demand of 67 HP and above:

Fixed / Demand Charges	Energy Charges
Nil	1300 paise per unit

Note: [Applicable to HT-5 category]

1. Temporary power supply with or without extension of distribution main shall be **arranged through a pre-paid energy meter** duly observing the provisions of Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

2. This Tariff is also applicable to touring cinemas having licence for duration less than one year.

3. All the conditions regarding temporary power supply as stipulated in Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be complied with before service.

TARIFF SCHEDULE HT-6

HT-6: **Applicable to Irrigation and Agricultural Farms, Government Horticultural Farms, Private Horticultural Nurseries, Coffee, Tea, Rubber, Coconut & Arecanut plantations.**

HT-6: RATE SCHEDULE Applicable for all areas	
Fixed Charges per HP / month:	
Per HP of the sanctioned load	Rs.150/-
Energy Charges per kWh:	
For entire consumption	550 paise
Note: These installations are to be billed on monthly basis.	

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