CHAPTER-4
Rationale for ERC
Filing
CHAPTER-4
Rationale for ERC Filing

GESCOM is filing this ARR & ERC under MYT principles for FY-22 with the following imperatives.

4.1. ERC Filing Requirement

In terms of Section 27 of the KERC and the Tariff Regulation -2000 (with amendments) framed by the Honourable Commission, the licensee is required to file its Expected Revenue from Charges not later than four months before the commencement of the financial year i.e., on or before 30.11.2020 for the ensuing financial year commencing from 1st April, 2021. The Expected Revenue from charges and Revision of Retail Supply Tariff for FY-22 is herewith submitted.

The formats prescribed in KERC (Tariff) Regulations are enclosed with this petition. The details are furnished in respect of ERC filing for the year FY-22. The details of the revenue anticipated and the expenditure assessed for FY-22 is detailed in the following paragraphs.


The information provided for the year FY-20 is as per the Audited Financials. The information provided for the financial year FY-21 is considered on 1st half of FY-21 and projected for the FY-22. The Hon’ble Commission is therefore requested to consider these figures. The licensee most respectfully submits that it has made sincere efforts to comply with the requirements of the KERC (Tariff) Regulations with the information currently available.

4.2 Revenue insufficient to Cover Costs in FY-21 to 22.

Based on the 2020 tariff order and subsequent amendments, GESCOM is unable to meet its expenses for FY 22 as there is a deficit of Rs 214.60 cr.

Executive Engineer (Elec)
Regulatory Affairs
Corporate Office
GESCOM, KALABURAGI

S. JOG
Dist. KALABURAGI
Reg. No. 12486
Ex-Dt. 16-1-2022

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### Table- 55
Cost Coverage / Deficit
Rs in Crs.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Particulars</th>
<th>FY-20 Actuals</th>
<th>FY-21 Revised</th>
<th>FY-22 projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Revenue from Existing Tariffs (including Misc. Revenue &amp; Other Income)</td>
<td>5297.55</td>
<td>5502.64</td>
<td>5950.73</td>
</tr>
<tr>
<td>2</td>
<td>Expenditure</td>
<td>5791.94</td>
<td>6082.15</td>
<td>6165.34</td>
</tr>
<tr>
<td>3</td>
<td>Rate of Return at 15.50% on equity and surplus for FY19</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Deficit (-) with existing tariffs</td>
<td>-982.29</td>
<td>-579.52</td>
<td>-1196.89</td>
</tr>
<tr>
<td>5</td>
<td>Subsidy receivable from GoK</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Other Income</td>
<td>184.45</td>
<td>124.44</td>
<td>107.24</td>
</tr>
<tr>
<td>6</td>
<td>GAP (Sl.No 2-1)</td>
<td>494.39</td>
<td>579.51</td>
<td>214.60</td>
</tr>
<tr>
<td>7</td>
<td>Met by Tarifaef Hike</td>
<td>-</td>
<td>-</td>
<td>156 Paise</td>
</tr>
</tbody>
</table>

**Note:** Gap of FY22 is considered for proposing the Tariff hike of 156 Paise per unit for all category installations in the FY 22.

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**Executive Engineer (Ele)**

Regulatory Affairs

Corporate Office

GESCOM, KALABURAGI