



KARNATAKA ELECTRICITY REGULATORY COMMISSION

TARIFF ORDER 2013

OF

**HUKERI RURAL ELECTRIC
CO-OPERATIVE SOCIETY**

(UNDER MYT FRAMEWORK)

ON

ANNUAL PERFORMANCE REVIEW FOR FY 12
&
APPROVAL OF ARR FOR FY 14-16
&
RETAIL SUPPLY TARIFF FOR FY 14

20th JUNE 2013

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KARNATAKA ELECTRICITY REGULATORY COMMISSION

BANGALORE-560001

Dated this 20th day of June 2013

**ORDER ON APPROVAL OF ANNUAL PERFORMANCE REVIEW FOR FY12, ARR
FOR FY14 TO FY16 & TARIFF FOR FY14 OF HUKERI RECS.**

In the matter of:

Application in respect of the Annual Performance Review for FY12, ARR for FY14 to FY16 & Tariff for FY14 under Multi Year Tariff framework of Hukeri RECS.

Present:

**Sri M.R.Sreenivasa Murthy
Sri Vishvanath Hiremath
Sri K.Srinivasa Rao**

**Chairman
Member
Member**

ORDER

Hukeri Rural Electric Co-operative Society has filed its application for Annual Performance Review for FY12 on 28th November 2012. The Society has further filed a separate application dated 31.12.2012 for approval of ERC for FY14-16 and retail supply Tariff for FY-14.

In exercise of the powers conferred under Sections 62, 64 and other provisions of the Electricity Act, 2003, read with KERC (Terms and conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations 2006, and other enabling Regulations, the Commission has carefully considered the applications and the views and objections submitted by the consumers and other stakeholders. The Commission's decisions are given in this order, chapter wise.

CHAPTER – 1

1.0 **About Hukeri Rural Electric Co-operative Society Ltd (HRECS)**

As per Section 14 of the Electricity Act 2003, Hukeri Rural Electric Co-operative Society (HRECS) is a Distribution Licensee responsible for purchase of power, distribution and retail supply of electricity to its consumers in its area of supply in the Hukeri Taluk of Belguam District. The Society is catering to about 96167 consumers.

1.1 **HRECS's Profile**

The profile of HRECS is as indicated below:

As on 31.03.2012

Sl. No	Particulars		Statistics
1.	Area	Sq. km.	991.49
2.	Consumers	Nos	96167
3.	Energy Consumption	MU	237.67
4.	Distribution Transformers	Nos.	1634
5.	Assets	Rs. Crores	35.78
6.	Revenue demand	Rs. Lakhs	7468.51
7.	Revenue Collection	Rs. Lakhs	7403.71

HRECS has filed its application for approval of APR for FY12, ARR for FY14-16 and retail supply Tariff for FY14.

HRECS's proposals and the Commission's decisions thereon are discussed in detail in the subsequent chapters of this order.

1.2 **Background for Current ERC and Tariff Petition**

Hukeri RECS filed its application for approval of APR for FY12 on 28th November 2012 and application for approval of ERC for FY14-16 and retail supply tariff for FY14 on 31st December 2012. The Commission, upon initial scrutiny, communicated its preliminary observations to HRECS on

18th January 2013. HRECS has furnished its replies to the Commission on 28th January 2013.

1.3 Public Hearing Process

While accepting the application filed by HRECS as a petition, the Society was informed vide Commission's letter dated 20.02.2013 to publish the summary of ERC and Tariff proposals in the newspapers and call for objections from the stakeholders.

HRECS has published the same in the following newspapers:

Name of the News Paper	Date of Publication
Vijaya Karnataka	26 th and 27 th February 2012
Hosa Digantha	
Indian Express	
Deccan Herald	

In response to the notifications published in the above newspapers, the Commission has not received any objections. Further, the Commission held Public Hearings on 28th May 2013 at the Head office of Hukeri RECS at Hukeri. The Commission heard the views of the Directors of the Society and the general public including IP set consumers using electricity for IP sets. The general public requested the Commission to direct the Society to provide uninterrupted power supply besides seeking reduction in tariff.

1.4 Commission's Order:

The Commission on 06.05.2013 has issued Orders on HESCOM's application for approval of ARR for FY14-16 and retail supply tariff

for FY14. Consequently considering the said Order, present Order is issued on the application of Hukeri RECS for approval of ARR for FY14-16 and retail supply tariff for FY14.

CHAPTER - 2

ANNUAL PERFORMANCE REVIEW FOR FY12

2.1 Application for APR of FY12

Hukeri RECS had filed its application for approval of APR for FY12 on 28th November 2012. The summary of the proposed ARR is as under:

TABLE – 2.1
Proposed ARR for FY12

Particulars	Rs. in lakhs
	FY12
Revenue	
Revenue From Sale of Power	7468.52
Subsidy from Government	1609.01
Other Income	161.67
Total Revenue	9239.20
Expenditure	
Power Purchase Cost	7592.38
Employee Expenses	
R&M Expenses	
A&G Expenses	418.01
Depreciation	55.10
Interest on Loan Capital	4.06
Interest on Working Capital	-
Interest on Consumer Deposit	42.93
(Less) Expenses Capitalised	0.00
Other Debits/Ex. Items	4,300.16
Net Prior Period Credit	-2529.52
RoE	426.93
Taxes	0.00
Total Expenses	10310.05
Net ARR	10148.38

The Society has requested the Commission to approve an ARR Rs.10148.38 lakhs for FY12. The Society has projected a revenue gap of Rs.1070.85 lakhs (inclusive of RoE of Rs.426.93lakhs).

2.2 Annual Performance Review for FY12.

Considering the data filed by HRECS, audited accounts for FY12 and provisions of MYT Regulations as amended, the Commission has undertaken Annual Performance Review for FY12 as discussed in the following paragraphs.

1. Sales:

The Commission in its tariff order dated 7th December 2011 had projected the sales of 178.95MU for FY12. The Society has reported actual sales of 193.28MU inclusive of sales to IP sets of 142.37MU. The sales to other than IP set categories are 50.91MU.

2. Distribution Losses

The Commission had approved distribution losses of 14.25% for FY12. Hukeri RECS in its Petition has reported actual distribution losses of 15.30%. The Society has failed to achieve the loss levels fixed by the Commission.

In accordance with the provisions of the MYT Regulations, the following is the penalty for non achievement of targeted losses:

Penalty for non-achievement of targeted Distribution losses in FY12

Particulars	FY12
Actual Input at IF as per audited accounts in MU	228.21
Retail Sales as per audited accounts in MU	193.28
% Distribution Loss	15.30%
Target Upper Limit of Distribution Loss	14.50%
Increase in % Loss	0.80%
Input at Target Loss for actual sales in MU	226.06
Difference in Input in MU	2.15
Average Cost of Power Purchase in Rs/Unit	3.02
Penalty for non achievement of approved loss levels in Rs. lakhs	64.98

3. Power Purchase:

The Society has received energy of 228.21MU at interface points. The Cost of the power purchase is indicated as 7592.38 lakhs. The Commission in its tariff order dated 7th December 2011 had approved power purchase of 217.34MU (at generation bus) at a cost of Rs.6641.17lakhs.

As per the format D19 of the Petition, the Society has received 201.28MU at 110/11Kv and 26.94MU at 33/11Kv. Since supply at 33/11Kv is met by distribution system of HESCOM, the Society is required to bear the losses for handling 26.94MU at 33/11Kv. HESCOM in its filing under format D19 has indicated 4.99% of distribution losses at 33Kv for FY12. Considering the same, the losses at 33/11Kv would be 1.41MU. Thus the energy at interface point with the transmission system would be 229.63MU. Considering approved transmission losses of 3.98% for FY12, the allowable quantum of power purchase will be 239.13MU.

The Commission in its tariff order dated 6th May 2013 for HESCOM has approved power purchase for FY12 at an average cost of Rs.3.02/unit. Considering the same, the allowable cost of power purchase of 239.13MU will be Rs. 7221.86 lakhs.

4. O & M Expenses :

The actual O & M expenses as per audited accounts are Rs.553.02lakhs. Considering the inflation rate and growth in consumer base, the O & M expenses as per norms would be Rs.555.50 lakhs.

TABLE -2.2
Allowable O & M expenses for FY12
Amount in Rs. Lakhs

Particulars	FY12
No. Of Installations	96167
CGI based on 3 Year CAGR	3.48%
Base Year O&M Cost(FY10 as per actuals)	475.37
O&M Index= O&M (t-1)*(1+WII+CGI-X)	555.50

5. Depreciation

The society has claimed depreciation of Rs.55.10 lakhs for FY12. The Commission had approved Rs.155.13 lakhs towards depreciation for FY12.

TABLE – 2.3
Depreciation for FY12

Amount in Rs. lakhs		
Asset Category	Closing Balance of Asset as on 31.03.2011	Depreciation
Buildings	27.74	0.50
Civil	23.06	0.40
Other Civil	4.34	0.01
Plant & M/c	1053.05	35.80
Line, Cable Network incl plant/M/c	2087.85	36.37
Vehicles	18.64	1.13
Furniture	12.29	0.17
Office Equipments	52.39	0.97
Total	3279.36	75.35
Less Depcn on Contribution		20.25
Net Depreciation	3279.36	55.10

Since the Society has claimed the depreciation on the basis of category wise assets as detailed above, the Commission considers the same for the purpose of APR.

6. Interest & Finance Charges

The Society has claimed an amount of Rs.4.06 lakhs as interest and finance charges for FY12. The Commission notes that the proposal of the society is inclusive of Rs.2.89 lakhs towards interest on loans drawn from REC towards RGGVY schemes and Rs.1.17 lakhs for interest on other un-secured loans. As per format D9, the Society has availed loan of Rs.41.57 Lakhs at an interest rate of 10% p.a from REC in FY12. The total outstanding

balance of loans for FY12 is Rs.44.97 Lakhs. The Commission notes that the interest on loans claimed by the Society is reasonable. Hence, the Commission allows the interest on loan capital as proposed by the society.

7. Interest on working Capital

The society has not claimed interest on working capital for FY12. As per norms under MYT Regulations as amended, the Commission has determined the allowable interest on working capital as under:

TABLE – 2.4
Allowable Interest on Working Capital for FY13

Amount in Rs. lakhs	
Particulars	FY 12
One-twelfth of the amount of O&M Exp.	46.29
Opening GFA	3279.53
Stores, materials and supplies 1% of Opening balance of GFA	32.80
One-sixth of the Revenue	1244.75
Total Working Capital	1323.84
Rate of Interest (% p.a.)	11.75%
Interest on Working Capital	155.55
Actual WC as per accts	0.00
Allowable Interest on Working capital as per amended Regulations	77.78

Thus, the Commission allows an amount of Rs.77.78 lakhs towards interest on working capital.

8. Interest on Consumer Deposit

The society has claimed an amount of Rs.42.93 lakhs for FY12. Considering the opening balance of consumer deposits at Rs.811.74 lakhs, the average rate of interest works out to 5.29%. The Commission decides to allow an amount of Rs.42.93 lakhs towards interest on consumer deposits.

An abstract of the approved Interest and Finance charges is indicated below:-

TABLE – 2.5
Allowable Interest & Finance Charges for FY12

Particulars	Rs. lakhs
	FY12
Interest on Loan	4.06
Interest on Working Capital	77.78
Interest on Consumer Deposit	42.93
Total	124.77

9. Return on Equity

The society has claimed an amount of Rs.426.93 lakhs towards RoE for FY12. Considering the equity, reserves and surplus as per the Petition, the Commission has determined RoE at 15.5%% as under:

TABLE – 2.6
Approved RoE for FY12

Particulars	Amount in Rs.
	FY12
Paid Up Share Capital	4170000
Share Deposit	32032396
Capital Reserve	539900
Carried forward Loss/Profit	6496824
Total Equity	43239120
Approved by Commission in Rs. lakhs	67.02

As per the audited accounts, since the Society has not paid any tax for FY12, the Commission has not considered any tax separately.

10. Other Income

The society, in its application, has indicated an amount of Rs.161.67 lakhs as other income for FY12. The Commission decides to consider the same for APR of FY12.

11. Other debits

The Society has claimed an amount of Rs.4300.16 lakhs as other debits for FY12. This includes an amount of Rs.3980.84 lakhs towards withdrawal of revenue demand of IP set pertaining to the period 2003-2008 and an amount of Rs.319.33 lakhs towards payment of income tax for FY11.

The Commission in its order dated 7th December 2011 has allowed RoE of Rs.353.82 lakhs duly considering MAT at 19.9305% on RoE of 15.5%. However, considering the claims of the Society, the Commission decides to allow RoE at 15.5% and income tax as per actuals as detailed below:

Particulars	Amount in Rs. lakhs
RoE as allowed for FY11 in the Commissions tariff order dated 7 th December 2011 -A	353.82
RoE at 15.5% on capital plus reserves (without tax)	283.31
Actual tax paid in FY12 pertaining to FY11 as per audited accounts of FY12	319.33
RoE plus tax to be allowed based on actuals-B	602.64
Difference to be factored in the present APR (B-A)	248.81

In respect of society's claims of withdrawal of revenue demand pertaining to IP sets for the period 2003 to 2008 amounting to Rs.39.81 Crores, the Commission perused the Balance Sheet and Profit and Loss account for FY12. The current assets pertaining to sale of electricity including transmission charges are as follows:

- | | |
|---|-----------------|
| 1. Amount due from consumers | Rs. 7.16 Crores |
| 2. IP set dues receivable from Government | Rs.18.72 Crores |
| 3. IP set dues receivables from Government
for the period 2001 to 2003 | Rs. 3.58 Crores |
| 4. Receivables from KPTCL (on account of
excess Transmission charges to be adjusted) | Rs.9.32 Crores |

TOTAL

Rs.38.78 Crores

However on perusal of current liabilities for purchase of power to HESCOM, the amount due is Rs.51.26 Crores.

From the above it is evident that the Current Assets for sale of power are not sufficient to meet the Current Liability for purchase of power. However Hukeri RECS has drawn up its accounts for FY12 by withdrawing revenue demand pertaining to IP set without providing for matching resources and has shown a loss of Rs.22.53 Crores for the year ending FY12.

In this context the proposal of Hukeri RECS to write off Rs.39.80 Crores is unviable and against to the prudent commercial principles and therefore the Commission decides not to consider the proposal of the Society to withdraw revenue demand pertaining to IP sets amounting to Rs.39.81 Crores. Consequently, the Commission has not recognized the loss of Rs.22.53 Crores depicted in its Balance Sheet.

Hence, the allowable other debits for FY12 is Rs.248.81 lakhs.

12. Net prior period credit:

The Society in its Petition has deducted an amount of Rs.2529.51 lakhs as net prior period credit pertaining to withdrawal of interest on power purchase by KPTCL for the previous years.

The Commission notes that, while determining ARR for FY13, based on the provisional accounts submitted by Hukeri RECS for FY 12 an amount of Rs 2166.32 lakhs has been factored for withdrawal of interest on power purchase by KPTCL. By considering the same, the Commission decides to

allow the net difference of Rs 363.19 lakhs as net prior period credit in the present APR for FY12.

2.3 Abstract of Allowable ARR for FY12

An Abstract of the allowable consolidated Annual Revenue Requirement for FY12 is given below:-

TABLE -2.7
Allowable consolidated ARR for FY12

Particulars	Amount in Rs. lakhs	
	As filed	As Approved
Power Purchase Cost inclusive of transmission and SLDC Charges	7592.38	7,221.86
Employee Expenses		
R&M Expenses		
A&G Expenses	418.01	555.50
Depreciation	55.10	55.10
Interest on Loan Capital	4.06	4.06
Interest on Working Capital	-	77.78
Interest on Consumer Deposit	42.93	42.93
(Less) Expenses Capitalised	0.00	0.00
Other Debits/Ex. Items	4,300.16	248.81
Net Prior Period Credit	-2529.52	-363.19
RoE	426.93	67.02
Taxes	0.00	0.00
Total Expenses	10310.05	7909.87
Net ARR	10148.38	7748.20
Penalty for non achievement of targeted losses		64.98
Net ARR after penalty		7683.22

2.4 Average Cost of Supply

Based on the approved ARR, the average cost of supply of Hukeri RECS for FY12 is as follows:

TABLE - 2.8
Average Cost of Supply for FY12

Rs. in lakhs		
Sl. No	Particulars	FY12
1	ARR for FY12	7683.22
2	Approved Sales in MU	193.28
3	Average Cost (Rs. per unit)	3.98

2.5 Gap in Revenue

The following table indicates gap in revenue

TABLE – 2.9
Gap in Revenue

Particulars	Amount in Rs. lakhs
ARR for FY12	7683.22
Revenue demand	7468.52
Net deficit	(214.71)

The treatment of the above deficit is discussed in Chapter – 3 of this Order.

CHAPTER - 3

ANNUAL REVENUE REQUIREMENT FOR FY14-16

3.1 ERC Application for FY14-16

Hukeri RECS has filed its application for approval of ERC for FY14-16 on 31st December 2012. The summary of the proposed ARR is as under:

TABLE – 3.1
Proposed ARR for FY14-16

Rs. in lakhs

Particulars	FY14	FY15	FY16
Power Purchase Cost	9154.52	11,145.65	13567.60
Employee Expenses	749.57	819.33	882.98
R&M Expenses	189.75	206.95	216.86
A&G Expenses	170.68	220.24	117.24
Depreciation	104.95	124.54	147.48
Interest & Financing Charges(net)			
Interest on Loan Capital	240.50	237.25	223.90
Interest on Working Capital	223.48	250.04	271.26
Interest on Consumer Deposit	100.34	108.52	119.40
(Less) Expenses Capitalised	0.00	0.00	0.00
Other Debits/Ex. Items	0.00	0.00	0.00
Net Prior Period Credit	0.00	0.00	0.00
RoE	590.87	731.03	918.03
Taxes	0.00	0.00	0.00
Total Expenses	11524.66	13843.55	16464.75
Net ARR	11384.89	13659.51	16251.62

3.2 Annual Revenue Requirement for FY14-16

3.2.1 Capital Investments for FY14-16

Hukeri RECS in its petition has proposed the following scheme wise CAPEX for FY14-16 :-

TABLE – 3.2
Proposed CAPEX for FY14-16

Amount in Rs.

Sl.No	Particulars	2013-14		2014-15		2015-16	
		Qty	Amount	Qty	Amount	Qty	Amount
1	H.T Lines						
	a) 11 KV Lines	150	2,83,71,900.00	130	2,45,88,980.00	105	1,98,60,330.00
2	L.T Lines						
	a) 3 Phase 5 Wire	-	-	-	-	-	-
	b) 3 Phase 4 Wire	20	26,17,680.00	15	19,63,260.00	10	13,08,840.00
	c) 1 Phase 3 Wire	5.0	6,72,500.00	5.0	6,72,500.00	5.0	6,72,500.00
	d) 1 Phase 2 Wire	10.0	10,40,000.00	10.0	10,40,000.00	10	10,40,000.00
3	Transformer Centres						
	a) 500 KVA Transform Center						
	b) 315 KVA Transform Center	-	-	-	-	-	-
	c) 200 KVA Transformer						
	d) 150 KVA Transformer Center						
	e) 100 KVA Transformer Center	10	16,43,520.00	10	16,43,520.00	5	8,21,760.00
	f) 63/50 KVA Transformer Center	30	36,84,390.00	25	30,70,325.00	25	30,70,325.00
	g) 25 KVA Transformer	100	89,33,900.00	100	89,33,900.00	125	1,11,67,375.00

	Center						
	h) Others (10 & 15 KVA)	-	-	-	-	-	-
4	Service connection						
	a) Agriculture - HT	0	-	0	-	0	-
	b) Industrial -HT	1	-	0	-	1	-
	c) Agriculture - LT	788	23,64,000.00	816	24,48,000.00	844	25,32,000.00
	d) Industrial -LT	83	2,49,000.00	87	2,61,000.00	90	2,70,000.00
	e) Domestic	1815	27,22,500.00	1865	27,97,500.00	1914	28,71,000.00
	f) Commercial	58	87,000.00	60	90,000.00	60	90,000.00
	g) Street Light Brackets	19	-	19	-	21	-
			5,23,86,390.00		4,75,08,985.00		4,37,04,130.00
5	Improvement Works						
	a) 11 KV Line	50	94,57,300.00	40	75,65,840.00	40	75,65,840.00
	b) 100 KVA Transform Center	15	24,65,280.00	15	24,65,280.00	15	24,65,280.00
	c) LT Line 3 Ph.4 Wire	10	13,08,840.00	10.0	13,08,840.00	15	19,63,260.00
			1,32,31,420.00		1,13,39,960.00		1,19,94,380.00
	Grand Total		6,56,17,810.00		5,88,48,945.00		5,56,98,510.00

Commission's Analysis and Decision

The Commission notes that the Society has proposed CAPEX towards improvement of LT & HT lines besides providing additional distribution transformers. In addition to the above CAPEX, the Society has taken up Niranthara Jyothi Yojana on 19 feeders covering 119 villages at a cost of Rs.17.95 Crores. The Commission decides to allow capex as proposed by the Hukeri society for FY14-16.

However, the Capex so allowed is subject to prudence check by the Commission. Hukeri RECS shall furnish data as per the prescribed format during the APR for the relevant years.

3.2.2. Sales Forecast

Category-wise Energy Sales

The Hukeri society has proposed the following sales for the control period:

Particulars	Figures in Lakh Units		
	FY-14	FY-15	FY-16
Sales to categories other than BJ/KJ and IP sets	578.87	621.26	667.88
Sales to BJ/KJ and IP sets	1939.90	2166.07	2418.79
Total sales	2518.77	2787.33	3086.67

HRECS has estimated a growth rate of 12.10% in FY14, 10.66% in FY15 and 10.74% considering the base year FY13 sales of 2246.84lakhs units.

The Commission having taken note of the petition and the replies furnished by HRECS, has estimated the sales as indicated below.

The sales to categories other than BJ/KJ and IP sets [excluding LT-4b, LT-4c and LT-7] is estimated by the Commission considering the highest of the CAGR for the period FY09 to FY11 and for the period FY09 to FY12 for each of the categories. The base year data of FY13 as per DCB furnished by the society is considered for estimating sales. For LT-4b, LT-4c estimates of HRECS are retained. For LT-7, the consumption in FY13 as per DCB is retained for all the years.

The IP set consumption is estimated based on the actual specific consumption of 7422 units/IP/annum as per the DCB statement for FY13. The number of IP sets is retained as estimated by HRECS. For BJ/KJ the specific

consumption of HESCOM at 10.83 units/installation/month is adopted, as HRECS is indicating the sales to this category for the first time.

Based on the above the sales approved by the Commission are as indicated below:

Particulars	Lakh Units		
	FY-14	FY-15	FY-16
Sales to categories other than BJ/KJ and IP sets	586.68	641.39	702.34
Sales to BJ/KJ and IP sets	1720.14	1780.31	1842.57
Total sales	2306.81	2421.71	2544.91

3.2.3. Distribution Losses

Hukeri RECS in its petition has proposed distribution losses of 15.09% for FY14, 15.05% for FY15 and 14.98% for FY16. The Commission in its Tariff Order dated 7th December 2011 had fixed distribution loss of 14.25% for FY12. The Society has reported actual loss of 15.30% for FY12. The Commission has imposed penalty for non achievement of targeted losses in FY12. Considering the actual losses of 15.30% in FY12, the Commission fixes the following loss levels for FY14-16:

Approved range of Distribution losses

(% losses)

Range	FY-14	FY-15	FY16
Upper limit	15.25	14.75	14.25
Average	15.00	14.50	14.00
Lower Limit	14.75	14.25	13.75

Further, based on the principles laid down in MYT Regulations, the Commission would consider the incentive/penalty on actual basis during the annual performance review for the relevant years of the control period.

3.2.4 Power Purchase

Hukeri society has proposed to purchase 296.63MU for FY14, 328.11MU for FY15 and 360.60MU for FY16 at its interface points with HESCOM at a cost of Rs.9154.52lakhs, Rs. 11145.65 lakhs and Rs. 13567.60 lakhs for FY14, FY15& FY16 respectively.

As per the data under form D-19, the Society has indicated the energy at interface points at 110/11Kv and 33/11Kv. Considering the estimated loss levels at 33 KV level in HESCOM, the allowable energy at IF points and power purchase are as follows:

Particulars	FY14	FY15	FY16
Energy received at 110/11Kv IF points	221.16	226.59	228.43
Energy received at 33/11Kv	50.23	56.65	67.49
Distribution losses of HESCOM at 33Kv in %	4.50%	4.50%	4.30%
Distribution losses in MU at 33Kv in %	2.26	2.55	2.90
Net energy at IF points inclusive of distribution loss of HESCOM at 33Kv.	273.65	285.79	298.82
Approved Transmission Losses in %	3.94%	3.92%	3.90%
Approved Power Purchase in MU	284.87	297.45	310.95

Based on the weighted average cost of power supply inclusive of transmission charges as approved for HESCOM in its order dated 6th May 2013, the Commission has allowed the following power purchase cost for Hukeri Society.

Particulars	FY14	FY15	FY16
Approved power purchase in MU	284.87	297.45	310.95
Approved cost of power purchase inclusive of transmission charges in Rs. lakhs	9495.04	9545.49	10814.19

Since the cost of power purchase indicated above is inclusive of transmission charges, the Commission has not allowed transmission charges separately payable to KPTCL.

3.2.5 O & M Expenses

Hukeri society has proposed O & M expenses of Rs.1110 lakhs, Rs.1246.52 lakhs and Rs.1217.08 lakhs for FY14, FY 15 and FY16 respectively.

The breakup of the O & M expenses proposed by the Hukeri society is as follows

TABLE – 3.3

O&M Expenses for FY14-16 - Hukeri Society Proposal

Rs. in lakhs				
Sl. No.	Particulars	FY-14	FY-15	FY-16
1	R&M Expenses	189.75	206.95	216.86
2	Employee cost	749.57	819.33	882.98
3	Administrative & General Expenses	170.68	220.24	117.24
O&M Cost in Rs. lakhs		1110.00	1246.52	1217.08

Commission's Observations

In accordance with the MYT Regulations, considering the actual O&M expenses for the base year FY12, the Commission has computed the normative O&M expenses for FY14-16 as under:-

TABLE – 3.4

Computation of Normative O&M expenses for FY14-16

Particulars	FY14	FY15	FY16
No. Of Installations	116538	119895	123337
CGI based on 3 Year CAGR	3.48%	3.48%	3.48%
Inflation as per CERC Notification dated 25.09.2012	5.49%	5.49%	5.49%
O&M Index= O&M (t-1)*(1+WII+CGI-X) in Rs Lakhs	650.73	705.87	765.68

Efficiency factor, X = 0.5% for Hukeri RECS

The Commission notes that the society has not furnished any detailed information justifying its claims of O&M expenses inclusive of employee cost, R&M expenses and A&G expenses. However, the Commission decides to allow the O&M expenses as per norms and directs the society to furnish details of any uncontrollable increase in O&M expenses at the time of APR for the relevant years. Thus the approved O&M expenses are Rs.650.73 lakhs, Rs.705.87 lakhs and Rs.765.68 lakhs for the year FY14, FY15 and FY16 respectively.

3.2.6 Depreciation

The society has claimed a depreciation of Rs.104.95 lakhs for FY14, Rs. 124.54lakhs for FY15 and Rs.147.48 lakhs for FY16. The Commission has considered the weighted average rate of depreciation on the gross fixed assets as per the audited accounts for FY12. The details are as follows:

TABLE- 3.5
Approved Depreciation for FY14-16
Amount in Rs.lakhs

Category of Assets	FY14		FY15		FY16	
	Closing Balance of Asset as on 31.03.2013	Depcn	Closing Balance of Asset as on 31.03.2014	Depcn	Closing Balance of Asset as on 31.03.2015	Depcn
Buildings	29.02	0.53	30.37	0.55	31.63	0.57
Civil	32.34	0.48	32.34	0.48	32.34	0.48
Other Civil	4.34	0.01	4.34	0.01	4.34	0.01
Plant & M/c	1284.3	45.64	1535.2	53.00	1738.96	59.38
Line, Cable Network including plant/M/c	2427.34	43.92	2805.16	50.09	3162.84	55.96
Vehicles	25.57	1.44	29.09	1.62	32.48	1.80
Furniture	12.43	0.17	12.78	0.18	13.15	0.18
Office Equipments	83.5	1.46	105.71	1.80	127.78	2.13
Total	3898.84	93.65	4554.99	107.73	5143.52	120.51
Less Depcn on Contribution		30.44		40.21		48.05

Net Depcn	3898.84	63.21	4554.99	67.52	5143.52	72.47
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Thus, the Commission approves depreciation of Rs.63.21 lakhs, Rs.67.52 lakhs and Rs. 72.47 lakhs for FY14, FY15 and FY16 respectively.

3.2.7 Interest & Finance Charges

The Society has claimed an amount of Rs.240.50 lakhs for FY14, Rs.237.25 lakhs for FY15 and Rs.223.90 lakhs for FY16 towards interest on loan capital. The Commission notes that, the Society has proposed CAPEX of Rs.656.18lakhs for FY14, Rs.588.49 lakhs for FY15 and Rs.556.99 lakhs for FY16. The Society has also taken up NJY works at a cost of Rs.1795 lakhs. The Society has proposed loans of Rs.1700.00lakhs in FY14 and no loans are proposed in FY15 & FY16.

The Commission is of the view that, the proposal of the Society to factor the entire loan in the first year of the control period to meet the CAPEX proposals of three years of the control period is not prudent proposition. However, considering the CAPEX proposals of the Society, the Commission allows the interest on loan capital as follows:

TABLE- 3.6
Approved Interest on Loans – FY14-16

Particulars	Amount in Rs. lakhs		
	FY14	FY15	FY16
Secured Loans	74.57	1068.40	1646.90
Unsecured Loans	0		
Total	74.57	1068.40	1646.90
Less Short term loans/ Over draft	0	0	0
Less Interest accrued & dues	0.00	0	0
Long term secured & unsecured loans	74.57	1068.40	1646.90
Add new Loans	1000	700	0

Less Repayments	6.17	121.50	121.50
Total loan at the end of the year	1068.40	1646.90	1525.40
Average Loan	571.49	1357.65	1586.15
Interest Rate allowed in %	12.00%	12.00%	12.00%
Interest Allowed	68.58	162.92	190.34

a) Interest on working Capital

The Society has claimed an amount of Rs.223.48 lakhs for FY14, Rs.250.04 lakhs for FY15 and Rs.271.26 lakhs for FY16 towards interest on working capital. As per norms under MYT Regulations, the Commission has determined the interest on working capital as under:

TABLE – 3.7
Approved Interest on Working Capital for FY14-16

Amount in Rs. lakhs

Particulars	FY 14	FY 15	FY 16
One-twelfth of the amount of O&M Exp.	54.23	58.82	63.81
Opening GFA as per Audited Accts	3899	4555	5144
Stores, materials and supplies 1% of Opening balance of GFA	38.99	45.55	51.44
One-sixth of the Revenue	1778.67	1967.23	2163.09
Total Working Capital	1871.89	2071.60	2278.34
Rate of Interest (% p.a.)	11.75%	11.75%	11.75%
Interest on Working Capital	219.95	243.41	267.70

b) Interest on Consumer Deposit

The Society has claimed an amount of Rs.100.34 lakhs for FY14, Rs.108.52 lakhs for FY15 and Rs.119.40 lakhs for FY16 towards interest on consumer's deposits.

Considering the closing balance of consumer deposit as per audited accounts for FY12, the Commission has worked out the interest on consumer deposits for FY14-16 as follows:

TABLE – 3.8**Approved Interest on Consumer Deposits for FY14-16**

Particulars	Rs. in lakhs		
	FY14	FY15	FY16
Opening Balance of Consumer Deposits as per Accounts	95119545	99960545	104801545
Rate of Interest Allowed	8.75%	8.75%	8.75%
Allowable Interest on Consumer Deposit	85.35	89.58	93.82

An abstract of the approved Interest and Finance charges is indicated below:-

TABLE – 3.9**Approved Interest & Finance Charges for FY14-16**

Particulars	Rs. lakhs		
	FY14	FY15	FY16
Interest on Loan	68.58	162.92	190.34
Interest on Working Capital	219.95	243.41	267.70
Interest on Consumer Deposit	85.35	89.58	93.82
Total	373.88	495.91	551.86

3.2.8 Return on Equity

The Society has claimed an amount of Rs.590.87 lakhs for FY14, Rs.731.03 lakhs for FY15 and Rs.918.03 lakhs for FY16 towards RoE. Considering the equity, reserves and surplus as per audited accounts for FY12, the Commission duly considering corporate tax of 30% plus cess of 3% on RoE of 15.5%, has determined the RoE for FY14-16 as under:

TABLE – 3.10
Approved RoE for FY14-16

Particulars	Amount in Rs.		
	FY14	FY15	FY16
Paid Up Share Capital	4170000.00	4170000.00	4170000.00

Share Deposit	36701697.00	36701697.00	36701697.00
Capital Reserve	1089000.00	1089000.00	1089000.00
Carried forward Loss/Profit	21748623.21	31623567.85	43029128.90
Total Equity	63709320.21	73584264.85	84989825.90
Approved by Commission in Rs. Lakhs	142.91	165.06	190.64

3.2.9 Other Income

The Society has claimed an amount of Rs.139.37 lakhs for FY14, Rs.184.04 lakhs for FY15 and Rs.213.13 lakhs for FY16 towards other income. Since the projections of other income for FY14 is on a lower side as compared to the actuals of Rs.161.67 lakhs in FY12, the Commission decides to consider Rs. 170 lakhs as other income for FY14. However, the Commission considers the other income as projected by the Society for FY15 and FY16.

3.3 Abstract of Approved ARR for FY14-16

An Abstract of the approved consolidated Annual Revenue Requirement of Hukeri RECS for FY14-16 is given below:-

TABLE – 3.11
Approved consolidated ARR for FY14-16

Particulars	Rs. lakhs		
	FY14	FY15	FY16
Power Purchase Cost	9,495.04	9,545.49	10,814.19
Employee Expenses			
R&M Expenses			
A&G Expenses	650.73	705.87	765.68
Depreciation	63.21	67.52	72.46
Interest & Financing Charges(net)			
Interest on Loan Capital	68.58	162.92	190.34
Interest on Working Capital	219.95	243.41	267.70
Interest on Consumer Deposit	85.35	89.58	93.82
(Less) Expenses Capitalised	0.00	0.00	0.00
Other Debits/Ex.Items	0.00	0.00	0.00
Net Prior Period Credit	0.00	0.00	0.00

RoE	142.91	165.06	190.64
Total Expenses	10725.76	10979.85	12394.83
Net ARR	10555.76	10979.85	12394.83
Deficit of FY12 carried forward	-214.71		
ARR with deficit of FY12	10770.46		

3.4 Average Cost of Supply

Based on the approved ARR, the average cost of supply of Hukeri RECS for FY14-16 are as follows:

TABLE – 3.12
Average Cost of Supply for FY14-16

Sl. No	Particulars	Rs. in lakhs		
		FY14	FY15	FY16
1	ARR for FY12	10770.46	10979.85	12394.83
2	Approved Sales in MU	230.68	242.17	254.49
3	Average Cost (Rs. per unit)	4.67	4.53	4.87

3.5 Gap in Revenue

The following table indicates gap in revenue after considering carried forward deficit of FY12 considering revenue at existing tariff.

TABLE – 3.13
Gap in Revenue for FY14

Particulars	Amount in Rs. lakhs
Approved ARR for FY14	10555.76

Deficit carried forward from ARR of FY12	-214.71
Net ARR with deficit of FY12	10770.46
Revenue at existing tariff	9797.44
Gap in revenue for FY14	973.02

The treatment of the above gap is discussed in Chapter – 4 of this Order.

CHAPTER – 4

DETERMINATION OF TARIFF FOR FY14

4.0 HUKERI RECS'S Proposal and Commission's Analysis for FY14:

4.1 Tariff Application

As discussed in the preceding Chapters, HUKERI RECS has projected an unmet gap in revenue of Rs.712.87lakhs for FY14. This doesn't include the deficit in revenue of Rs.1070.85 lakhs for FY12. In order to bridge this gap in revenue, HUKERI RECS, in its Tariff Application, has proposed a tariff increase of 23-30 paise per unit in respect of all the categories of consumers.

4.2 Statutory Provisions guiding determination of Tariff

As per section 61 of the Electricity Act 2003, the Commission, is guided inter-alia, by the National Electricity Policy, the National Tariff Policy and the following factors, while, determining the tariff:

- that the distribution and supply of electricity are conducted on commercial basis;
- that competition, efficiency, economical use of resources, good performance, and optimum investment are encouraged;
- that the tariff progressively reflects the cost of supply of electricity, and also reduces and eliminates cross subsidies within the period to be specified by the Commission;
- that efficiency in performance is to be rewarded ; and
- that a multi-year tariff framework is adopted

Section 62(5) of the Electricity Act 2003, read with Section 27(1) of the KER Act 1999, empower the Commission to specify, from time to time, the methodologies and the procedure to be observed by the licensees in calculating the Expected Revenue from Charges (ERC). The Commission

determines the Tariff in accordance with the Regulations and the Orders issued by the Commission from time to time.

4.3 Consideration for Tariff setting:

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

a) Tariff philosophy:

As discussed in the earlier tariff orders, the Commission continues to fix tariff below the average cost of supply for consumers whose ability to pay is considered inadequate and fix tariff at or above the average cost of supply for categories of consumers whose ability to pay is considered to be greater. As a result the system of cross subsidy continues. However, the Commission has taken due care to progressively bring down the cross subsidy levels as envisaged in the Tariff Policy of the Government of India dated 6th January 2006.

b) Average cost of supply:

The Commission has been determining the retail supply tariff on the basis of the average cost of supply. The KERC (Tariff) Regulations 2000, require the licensees to provide details of embedded cost of electricity voltage / consumers category wise. This methodology requires the necessary data to be furnished by the licensee and the validation of the same by the Commission. Since this process of categorization of data / validation is not finalized, the Commission decides to continue with the existing method of determining retail supply tariff on the basis of average cost of supply.

c) Differential Tariff:

Beginning with its tariff order dated 25th November 2009 the Commission has been determining differential retail supply tariff for consumers in urban and rural areas. The Commission decides to continue the same in the present order also.

4.4 Revenue at existing tariff and deficit for FY14:

The Commission in its preceding Chapters has decided to carry forward the deficit in revenue of FY12 to the ARR of FY14. Further, the net unmet gap in revenue for FY14 is proposed to be filled up by revision of retail supply tariff as discussed in this Chapter.

Considering the approved ARR for FY14 and the revenue as per the existing tariff, the gap in revenue for FY14 is as follows:

TABLE – 4.1
Revenue Deficit for FY14

Particulars	Amount In lakhs
Approved Net ARR for FY14 including deficit of FY12	10770.46
Revenue at existing tariff	9797.44
Surplus / deficit	(973.02)

As per the approved ARR for FY14, the average cost of supply to be recovered through tariff is Rs.4.67 per unit.

Accordingly, in this Chapter, the Commission has proceeded to determine the retail supply tariff for FY14. The category-wise tariff as existing, as proposed by HUKERI RECS and as approved by the Commission are as follows:

1. LT-1 Bhagya Jyothi

The existing tariff under this category proposed by HUKERI RECS is given below:

Sl. No	Details	Existing (As per 2012 tariff order)	Proposed by HUKERI RECS
1	Energy charges (including recovery towards service main charges)	423 Paise / Unit Subject to a monthly minimum of Rs. 30 per installation per month.	452 paise/unit Fully subsidized by GoK

Commission's Views/ Decision

The GoK, as a policy, has extended free power to all BJ/KJ consumers, whose consumption is not more than 18 units per month. Hence, the tariff payable by these consumers is the revised average cost, which is Rs. 467 per unit.

Further, the ESCOMs have to claim subsidy for only those consumers who consume 18 units or less per month per installation. If the consumption exceeds 18 units per month or any BJ/KJ installation is found to have more than one out let, it shall be billed as per the Tariff Schedule LT 2(a).

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

LT – 1 Approved Tariff for BJ / KJ installations

Commission determined Tariff	Retail Supply Tariff determined by the Commission
467Paise per unit, Subject to a monthly minimum of Rs. 30 per installation per month.	-Nil- Fully subsidized by GoK

***Since GOK is meeting the full cost of supply to BJ / KJ, the Tariff payable by these Consumers is shown as Nil. However, if the GOK does not release the subsidy in advance, a Tariff of Rs. 467per unit subject to monthly minimum of Rs. 30/- per Installation per month shall be demanded and collected from these Consumers.**

Note: If the consumption exceeds 18 units per month or any BJ/KJ installation is found to have more than one light point being used, it shall be billed as per Tariff Schedule LT 2(a).

2. LT2 (a) Domestic Consumers:

HUKERI RECS's Proposal:

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

Proposed Tariff for LT-2 (a)

LT-2 a (i) Domestic Consumers Category

Applicable to areas coming under City Municipal Corporation and all areas under Urban Local Bodies

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed Charges per Month	For the first KW Rs.25	For the first KW Rs.25
	For every additional KW Rs.35	For every additional KW Rs.35
Energy Charges 0-30 units (life line Consumption)	0 to 30 units 230 paise/unit	0 to 30 units 253 paise/unit
Energy Charges exceeding 30 Units per month	31 to 100 units 350 paise/unit	31 to 100 units 373 paise / unit
	101 to 200 units 460 paise /unit	101 to 200 units 483 paise/unit
	Above 200 units 560 paise /unit	Above 200 units 583 paise /unit

LT-2(a)(ii) Domestic Consumers Category

Applicable to Areas under Village Panchayats

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	For the first KW Rs.15	For the first KW Rs.15
	For every additional KW Rs.25	For every additional KW Rs.25
Energy Charges 0-30 units (life line Consumption)	0 to 30 units 220 paise/unit	0 to 30 units 243 paise/unit
Energy Charges exceeding 30 Units per month	31 to 100 units 320 paise / unit	31 to 100 units 343 paise/ unit
	101 to 200 units 430 paise/unit	101 to 200 units 453 paise/unit
	Above 200 units 510 paise/unit	Above 200 units 533 paise /unit

Commission's Views/ Decision

The Commission has decided to continue the two tier tariff in respect of the domestic consumers as shown below:

- (i) Areas coming under city Municipal Corporations and all Urban Local Bodies
- (ii) Areas under Village Panchayats.

The Commission approves the tariff for this category as follows:

**Approved Tariff for LT 2 (a) (i) Domestic Consumers Category:
Applicable to Areas coming under City Municipal Corporations and all areas under Urban Local Bodies**

Details	Tariff approved by the Commission
Fixed charges per Month	For the first KW Rs.25
	For every additional KW Rs.35
Energy Charges up to 30 Units per month (0-30 Units)- life line consumption.	Upto 30 units: 250 paise/unit
Energy Charges in case the Consumption exceeds 30 Units per month	31 to 100 units: 370 paise/unit
	101 to 200 units: 485 paise/unit
	Above 200 units: 585 paise/unit

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

Details	Tariff approved by the Commission
Fixed charges per Month	For the first KW Rs.15
	For every additional KW Rs.25
Energy Charges up to 30 Units per month (0-30 Units)- Lifeline Consumption	Upto 30 units: 240 paise/unit
Energy Charges in case the Consumption exceeds 30 Units per month	31 to 100 units: 340 paise/unit
Energy charges	101 to 200 units: 455 paise/unit
	Above 200 units: 535 paise/unit

3. LT2 (b) Private Professional Educational Institutions etc.

HUKERI RECS's Proposal:

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

LT 2 (b) (i) Private and Professional Educational Institutions Applicable to all areas coming under urban Local Bodies including Municipal Corporations

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs.35 Per KW subject to a minimum of Rs.65 PM	Rs.35 Per KW subject to a minimum of Rs.65 PM
Energy Charges	For the first 200 units 570 paise per unit	For the first 200 units 593 paise per unit
	For the balance units 670 paise per unit	For the balance units 693 paise per unit

LT 2 (b) (ii) Private & Professional Educational Institutions Applicable in Areas under Village Panchayats

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs.25 Per KW subject to a minimum of Rs.50 PM	Rs.25 Per KW subject to a minimum of Rs.50 PM
Energy Charges	For the first 200 units 520 paise per unit	For the first 200 units 543 paise per unit
	For the balance units 620 paise per unit	For the balance units 643 paise per unit

Commission's Views/ Decision

Professional education and skill training institutions need to be supported in the use of machinery, equipment and tools to improve the quality of skills imparted. This in turn would have a positive impact on the socio-economic conditions of the State. Therefore, in order to provide electricity at a reasonable rate to such installations, the Commission decides to retain the existing tariff to this category without any increase. Further, the

Commission decides to include private hospitals with LT power supply in this tariff category with the following tariff:

Approved Tariff for LT 2 (b) (i) Private Professional Educational Institutions & Private Hospitals and Nursing Homes

Applicable to areas coming under City Municipal Corporations and all areas under urban Local Bodies

Details	Tariff approved by the Commission
Fixed charges per Month	Rs.35 Per KW subject to a minimum of Rs.65 PM
Energy Charges	0-200 units: 570 paise/unit
	Above 200 units: 670 paise/unit

Approved Tariff for LT 2 (b) (ii) Private Professional Educational Institutions & Private Hospitals and Nursing Homes

Applicable in Areas under Village Panchayats

Details	Tariff approved by the Commission
Fixed charges per Month	Rs.25 Per KW subject to a minimum of Rs.50 PM
Energy Charges	0-200 units: 520 paise/unit
	Above 200 units: 620 paise/unit

4. LT3- Commercial Lighting & Heating

HUKERI RECS's Proposal:

The existing and proposed tariff is as follows:

LT- 3 (i) Commercial Lighting, Heating & Motive Power

Applicable in areas under all Urban Local Bodies including City Municipal Corporations

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs.40 per KW	Rs. 40 per KW
	For the first 50 units 620 paise per unit	For the first 50 units 643 paise per unit

	For the balance units 720 paise per unit	For the balance units 743 paise per unit
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Demand based tariff (optional) where sanctioned load is above 5 KW but below 50 KW.

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges	Rs. 55 per KW	Rs. 55 per KW
Energy Charges	For the first 50 units 620 paise per unit	For the first 50 units 643 paise per unit
	For the balance units 720 paise per unit	For the balance units 743 paise per unit

**LT-3 (ii) Commercial Lighting, Heating & Motive Power
Applicable in areas under village Panchayats**

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs. 30 per KW	Rs.30 per KW
Energy Charges	For the first 50 units 570 paise per unit	For the first 50 units 593 paise per unit
	For the balance units 670 paise per unit	For the balance units 693 paise per unit

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

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs. 45 per KW	Rs. 45 per KW
Energy Charges	For the first 50 units 570 paise per unit	For the first 50 units 593 paise per unit
	For the balance units 670 paise per unit	For the balance units 693 paise per unit

Commission's Views/ Decision

As in the previous Tariff Order dated 30th April 2012, the Commission decides to continue tariff at two levels i.e.

- (i) Municipal Corporation and areas coming under other urban local bodies
- (ii) Areas under Village Panchayats

LT- 3 (i) Commercial Lighting, Heating& Motive Power

Applicable to areas under all urban local bodiesincluding Municipal Corporations

Details	Approved by the Commission
Fixed charges per Month	Rs. 40 per KW
Energy Charges	For the first 50 units: 645 paise/ unit
	For the balance units: 745 paise/unit

Demand based tariff (Optional) where sanctioned load is above 5 kW but below 50 kW.

Details	Approved by the Commission
Fixed charges per Month	Rs. 55 per KW
Energy Charges	For the first 50 units: 645 paise /unit
	For the balance units: 745 paise/unit

**LT-3 (ii) Commercial LightingHeating& Motive Power
Applicable to areas under Village Panchayats**

Details	Approved by the Commission
Fixed charges per Month	Rs. 30 per KW
Energy Charges	For the first 50 units: 595 paise per unit
	For the balance units: 695 paise per unit

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

Details	Approved by the Commission
Fixed charges per Month	Rs. 45 per KW
Energy Charges	For the first 50 units: 595 paise per unit
	For the balance units: 695 paise per unit

5. LT4-Irrigation pump sets:

HUKERI RECS Proposal:

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

**LT-4 (a) Irrigation pump sets
Applicable to IP sets upto and inclusive 10 HP**

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Nil	Free (In case GoK does not release the subsidy in advance, CDT of 441 paise per unit will be demanded and collected from consumers)
Energy charges	CDT 411 paise per unit	

Commission's Views/ Decision

The Government of Karnataka has extended free supply of power to farmers as per Government Order 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 is being borne by the GoK through tariff subsidy. In view of this all the categories under the existing LT-4a tariff are covered under free supply of power.

Considering the cross subsidy contribution from categories other than IP Sets & BJ/KJ Categories, the Commission has determined the tariff for IP Set under LT4(a) category as follows:

Approved CDT for IPsets for FY14

ARR 14	10770.46
Revised Revenue at rates as approved for HESCOM for FY14 for sale other than IP	2842.20
Revenue at Avg Cost for other than IP	2742.07
Cross subsidy available	100.13
Revenue at Avg Cost for IP sets	8028.40
Net Subsidy Required	7928.27
Subsidy to BJ/KJ@ Avg cost of supply	89.88
Net Subsidy Required after BJ/KJ subsidy	7838.39

CDT for FY14	4.61
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Accordingly, the Commission decides to approve tariff of Rs.4.61 per unit as CDT for FY14 for IP Set category under LT4(a). In case the GoK does not release the subsidy in advance, a tariff of Rs.4.61 per unit shall be demanded and collected from these consumers.

Approved by the Commission

LT-4 (a) Irrigation pump sets

Applicable to IP sets upto and inclusive 10 HP

Details	Approved by the Commission
Fixed charges per Month Energy charges	Nil*
CDT (Commission Determined Tariff): 461 paise per unit	

*** In case the GoK does not release the subsidy in advance, tariff of 461 paise per unit shall be demanded and collected from these consumers.**

LT4 (b) Irrigation pump sets above 10 HP:

HUKERI RECS's Proposal

Existing and proposed tariff for LT-4(b) is as follows:

LT-4 (b) Irrigation pump sets:
Applicable to IP sets above 10 HP

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs. 30 per HP	Rs. 30 per HP
Energy charges	150 paise per unit	173 paise per unit

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

LT-4 (c) (i) Irrigation pump sets:

Applicable to IP sets in Private Horticultural Nurseries, up to & inclusive 10 HP

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs. 20 per HP	Rs. 20 per HP
Energy charges	150 paise per unit	173 paise per unit

LT-4 (c) (ii) Irrigation pump sets:

Applicable to Private Horticultural Nurseries, above 10 HP.

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs. 30 per HP	Rs. 30 per HP
Energy charges	150 paise per unit	173 paise per unit

Approved Tariff:

The Commission decides to revise the tariff in respect of these categories as shown below:

LT-4 (b) Irrigation pump sets:
Applicable to IP sets above 10 HP

Fixed charges per Month	Rs. 30 per HP per month.
Energy charges for the entire consumption	175 paise/unit

LT4(c) (i) Irrigation Pump sets
Applicable to Horticultural Nurseries,
upto& inclusive 10 HP

Fixed charges per Month	Rs.20 per HP per month.
Energy charges	175 paise / unit

LT4 (c)(ii) Irrigation pump sets
Applicable to Horticultural Nurseries, above 10 HP

Fixed charges per Month	Rs.30 per HP per month.
Energy charges	175 paise/unit

6. LT5 Installations-LT Industries:

HUKERI RECS's Proposal

The existing and proposed tariffs by HUKERI RECS are given below:

LT-5 LT Industries: Applicable to all areas under HUKERI RECS

i) Fixed charges

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed Charges per Month	i)Rs. 25 per HP for 5 HP & below ii) Rs. 30 per HP for above 5 HP & below 40 HP iii) Rs. 35 per HP for 40 HP & above but below 67 HP iv)Rs. 100 per HP for 67 HP & above	i) Rs. 25 per HP for 5 HP & below ii) Rs. 30 per HP for above 5 HP & below 40 HP iii) Rs. 35 per HP for 40 HP & above but below 67 HP iv)Rs. 100 per HP for 67 HP & above

ii) Demand based Tariff (optional)

Details	Description	Existing Tariff as per 2012 Tariff order	Proposed by HUKERI RECS
	Above 5 HP and less than 40 HP	Rs. 45 per KW of billing demand	Rs. 45 per KW of billing demand
	40 HP and above but less than 67 HP	Rs. 60 per KW of billing demand	Rs. 60 per KW of billing demand
	67 HP and above	Rs. 150 per KW of billing demand	Rs. 150 per KW of billing demand

iii. Energy Charges

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
For the first 500 units	400 paise per unit	423 paise/ unit
For the next 500 units	470 paise per unit	493 paise/ unit
For the balance	500 paise per unit	523 paise/ unit

units		
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Existing ToD Tariff for LT5 : At the option of the consumers

ToD Tariff

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

Proposed ToD Tariff for LT5 : At the option of the consumer

ToD Tariff

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

Approved Tariff:

Time of the Day Tariff:

As per the decision of the Commission in its Tariff Order dated 30th April 2012, the mandatory Time of Day Tariff for HT2(a) and HT2(b) consumers with a contract demand of 500 KVA and above is continued. The optional ToD would continue as existing earlier for HT2(a) and HT2(b) consumers with contract demand of less than 500 KVA. Further, for LT5 and HT1 consumers the optional ToD is continued as existing earlier.

The Commission approves the tariff under LT 5 as given below:

Approved Tariff for LT 5 :

Applicable to all the areas of HUKERI RECS

i) Fixed charges

Details	Approved by the Commission
Fixed Charges per Month	i) Rs. 25 per HP for 5 HP & below ii) Rs. 30 per HP for above 5 HP & below 40 HP iii) Rs. 35 per HP for 40 HP & above but below 67 HP iv) Rs. 100 per HP for 67 HP & above

ii) Demand based Tariff (optional)

Demand based Tariff	Above 5 HP and less than 40 HP	Rs. 45 per KW of billing demand
	40 HP and above but less than 67 HP	Rs. 60 per KW of billing demand
	67 HP and above	Rs. 150 per KW of billing demand

iii) Energy Charges

Details	Approved tariff
For the first 500 units	425 paise/ unit
For the next 500 units	495 paise/ unit
For the balance units	525 paise/unit

Approved ToD Tariff for LT5 :At the option of the consumer

ToD Tariff

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

7. LT6 Water Supply Installations and Street Lights

HUKERI RECS's Proposal:

The existing and the proposed tariffs are given below:

LT-6(a) : Water Supply

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
Fixed charges per Month	Rs. 35/HP/month	Rs. 35/HP/month
Energy charges	320 paise/unit	343 paise/unit

LT-6 (b) : Public Lighting

Details	Existing as per 2012 Tariff	Proposed by HUKERI RECS
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	Order	
Fixed charges per Month	Rs. 50/KW/month	Rs. 50/KW/month
Energy charges	420 paise/unit	443 paise/unit

Commission's Views/ Decision:

The Commission decides not to increase tariff for water supply installations for the present.

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

Details	Approved Tariff
Fixed charges per Month	Rs. 35/HP/month
Energy charges	320 paise/unit

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

Details	Approved Tariff
Fixed charges per Month	Rs. 50/KW/month
Energy charges	445 paise/unit

8. LT 7- Temporary Installations:

HUKERI RECS's Proposal:

**The existing rate and the rate proposed by HUKERI RECS are given below:
Temporary Supply**

Details	Existing as per 2012 Tariff Order	Proposed by HUKERI RECS
a) Less than 67 HP:	Energy charge at 820 paise per unit subject to a weekly minimum of Rs. 160 per KW of the sanctioned load.	Energy charge at 843 paise per unit subject to a weekly minimum of Rs. 160 per KW of the sanctioned load.

Commission's Views/Decision

The Commission decides to continue the inclusion of Hoarding & advertisement boards, which are temporary in nature under this Tariff category.

As decided in the previous Tariff Order, the tariff specified for installations with sanctioned load / contract demand above 67 HP is covered under the HT temporary tariff category under HT5.

TARIFF SCHEDULE LT-7

Applicable to Hoardings & Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the interest of Public such as Police Canopy Directionboards, and other sign boards sponsored by the Private Advertising Agencies. Temporary Power Supply of all categories

Details	Approved Tariff
Less than 67 HP:	Energy charge at 850 paise / unit subject to a weekly minimum of Rs. 160 per KW of the sanctioned load.

9. H.T. Categories:

Time of the Tariff (ToD)

The Commission decides to continue the mandatory Time of Day Tariff for HT2(a) and HT2(b) consumers with a contract demand of 500 KVA and above. Further, the optional ToD would continue as existing earlier for HT2(a) and HT2(b) consumers with contract demand of less than 500 KVA. The details of ToD tariff are indicated under the respective tariff category.

10. HT1 Water Supply & Sewerage

HUKERI RECS's Proposal:

The Existing and the Proposed tariff by HUKERI RECS

Sl. No.	Details	Existing tariff as per 2012 order	Proposed tariffs
1	Demand	Rs. 180 / kVA of billing	Rs. 180 / kVA for billing

	charges	Demand / month	demand / month
2	Energy charges	380 paise per unit	403 paise per unit

Existing ToD tariff to HT-1 tariff to Water Supply & Sewerage installations at the option of the consumer

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

Proposed ToD Tariff to HT-1

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

Commission's Views/Decision:

The Commission decides not to increase tariff for water supply installations for the present.

The Commission approves the tariff for HT 1 Water Supply & Sewerage category as below:

Approved Tariff for HT 1

Details	Tariff approved by the Commission
Demand charges	Rs.180 / kVA of billing demand / month
Energy charges	380 paise/ unit

Approved ToD tariff to HT-1 tariff to Water Supply & Sewerage installations at the option of the consumer

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

11. HT2 (a) – HT Industries & HT 2(b) – HT Commercial

HUKERI RECS's Proposal:

Existing & proposed tariff – HT – 2 (a) - HT Industries

Applicable to all areas of HUKERI RECS

Details	Existing tariff as per tariff order 2012	Proposed by HUKERI RECS
Demand charges	Rs. 170 / kVA of billing demand / month	Rs. 170 / kVA of billing demand / month
Energy charges (iii) For the first one lakh units	510 paise per unit	533 paise per unit
(iv) For the balance units	540 paise per unit	543 paise per unit

Railway traction and Effluent Plants

Details	Existing tariff as per tariff order 2012	Proposed by HUKERI RECS
Demand charges	Rs. 180 / kVA at billing demand / month	There is no proposal in view of non existence of such installations
Energy charges	480 paise per unit for all the units	--

Existing ToD Tariff to HT-2(a)

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

Proposed ToD Tariff to HT-2(a)

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

Commission's Views/Decision

The Commission approves the tariff for HT 2(a) category as below:

Approved Tariff for HT – 2 (a)

Applicable to all areas of HUKERI RECS

Details	Approved Tariff
Demand charges	Rs. 170 / kVA of billing demand / month
Energy charges	
For the first one lakh units	535 paise/ unit
For the balance units	565 paise/ unit

Effluent Treatment plants

Details	Tariff approved by the Commission
Demand Charges	Rs.180/KVA of billing demand/month.
Energy Charges	500 paise / unit for all the units.

12. HT-2 (b) HT Commercial

HUKERI RECS's Proposal:

Existing and proposed tariff for HT – 2 (b)-HT Commercial

Applicable to all areas of HUKERI RECS

Details	Existing tariff as per tariff order 2012	Proposed by HUKERI RECS
Demand charges	Rs. 190 / kVA of billing demand / month	Rs. 190 / kVA of billing demand / month
Energy charges		
(i) For the first two lakh units	650 paise per unit	673 paise per unit
(ii) For the balance units	680 paise per unit	703 paise per unit

Proposed ToD Tariff to HT-2(b)

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

18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit
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Commission's Views/Decision

The Commission approves the following tariff for HT 2 (b) consumers:

Approved tariff for HT – 2 (b) - HT Commercial

Applicable to all areas of HUKERI RECS

Details	Tariff approved by the Commission
Demand charges	Rs. 190 / kVA of billing demand / month
Energy charges	
(i) For the first two lakh units	675 paise per unit
(ii) For the balance units	705 paise per unit

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

13 HT – 2 (c) – Applicable to Hospitals and Educational Institutions:

Approved tariff for HT – 2 (c) (i)

**Applicable to Government Hospitals & Hospitals run by Charitable Institutions & ESI Hospitals
and
Educational Institutions belonging to Government, Local Bodies and Aided Institutions and Hostels of all Educational Institutions**

Details	Tariff approved by the Commission
Demand charges	Rs. 170 / kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	500 paise per unit
(ii) For the balance units	550 paise per unit

Approved tariff for HT – 2 (c) (ii) -

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

Details	Tariff approved by the Commission
Demand charges	Rs. 170 / kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	600 paise per unit
(ii) For the balance units	650 paise per unit

Time of the Day Tariff:

Approved ToD Tariff to HT-2(a), HT- 2(b) and HT2(c)

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

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

HUKERI RECS's Proposal:

Existing and proposed tariff by HUKERI RECS for HT – 3 (a) –Lift Irrigation Schemes are given below

HT 3(a) (i) Applicable to LI Schemes under Government Departments / Government owned Corporations

Details	Existing charges as per tariff order 2012	Proposed charges by HUKERI RECS
Energy charges/ minimum charges	125 paise / unit Subject to an annual minimum of Rs.1000 per HP / annum	148 paise / unit Subject to an annual minimum of Rs. 1000 per HP / annum

**HT 3(a) (ii) Applicable to Pvt. LI Schemes and Lift Irrigation Societies:
Connected to Urban / Express feeders**

Details	Existing Tariff	Proposed by HUKERI RECS

Fixed charges	Rs. 30 / HP / Month of sanctioned load	There is no proposal in view of non existence of such installations
Energy charges	85 paise / unit	

**HT 3(a) (iii) Applicable to Pvt. LI Schemes and Lift Irrigation Societies:
other than those covered under HT-3 (a)(ii)**

Details	Existing Tariff	Proposed by HUKERI RECS
Fixed charges	Rs. 10 / HP / Month of sanctioned load	There is no proposal in view of non existence of such installations
Energy charges	85 paise / unit	

Commission's Analysis & Decision:

The approved Tariff is as follows:-

Approved tariff for HT 3 (a) (i)

Applicable to LI schemes under Govt. Dept. / Govt. owned Corporations

Energy charges / Minimum charges	150 paise/ unit subject to an annual minimum of Rs. 1000 per HP / annum
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Approved tariff for HT 3 (a) (ii)

**Applicable to Pvt. LI Schemes and Lift Irrigation Societies fed through express /
urban feeders**

Fixed charges	Rs. 30 / HP / Month of sanctioned load
Energy charges	110 paise / unit

Approved tariff for HT 3 (a) (iii)

**Applicable to Pvt. LI Schemes and Lift Irrigation Societies other than
those fed through express/ urban feeders**

Fixed charges	Rs. 10 / HP / Month of sanctioned load
Energy charges	110 paise / unit

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

HUKERI RECS's Proposal:

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

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

Details	Existing tariff order 2012	Proposed tariff by HUKERI RECS
Energy charges / minimum charges	295 paise / unit subject to an annual minimum of Rs. 1000 per HP of sanctioned load	There is no proposal in view of non existence of such installations

Commission's Views/Decision

The Commission approves the tariff for this category as indicated below:

Approved Tariff

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

Details	Approved Tariff
Energy charges / minimum charges	320 paise / unit subject to an annual minimum of Rs. 1000 per HP of sanctioned load

15. HT4- Residential Apartments/ Colonies

HUKERI RECS's Proposal:

The existing & proposed tariff by HUKERI RECS for this category is given below:

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

Details	Existing tariff order 2012	Proposed tariff by HUKERI RECS
Demand charges	Rs. 100 / kVA of billing demand	There is no proposal in view of non existence of such installations
Energy charges	470 paise per unit	

Commission's Views/Decision

The approved Tariff is as follows:-

Approved tariff HT – 4 Residential Apartments/ Colonies Applicable to all areas of HUKERI RECS

Demand charges	Rs. 100 / kVA of billing demand
Energy charges	490 Paise/ unit

TARIFF SCHEDULE HT-5

HUKERI RECS's Proposal:

The existing & proposed tariff by HUKERI RECS for this category is given below:

HT – 5 – Temporary supply

67 HP and above:	Existing	Proposed
Fixed charges / Demand Charges	Rs.210/HP/month for the entire sanction load / contract demand	There is no proposal in view of non existence of such installations
Energy Charge	820 paise / unit (weekly minimum of Rs.160/- per KW is not applicable)	

Commission's Views/Decisions:

The Commission in its Tariff Order dated 30th April 2012, had introduced a new HT temporary supply category applicable to 67 HP and above. The Commission in the present order decides to continue with reclassification as below.

16. TARIFF SCHEDULE HT-5

Tariff applicable to 67 HP and above hoardings and advertisement boards and construction power for industries excluding those category of consumers covered under HT2(b) Tariff schedule availing power supply for construction power for irrigation, power projects and also applicable to power supply availed on temporary basis with the contract demand of 67 HP and above of all categories.

Approved Tariff for HT – 5 – Temporary supply

67 HP and above:	Approved Tariff
Fixed charges / Demand Charges	Rs.210/HP/month for the entire sanction load / contract demand
Energy Charge	850 paise / unit

The Approved Tariff schedule for FY14 is enclosed in **Annexure** of this Order.

4.5. Determination of wheeling charges

In the current petition, HUKERI RECS has not proposed wheeling charges. In determining the wheeling charges, the Commission has adopted the wheeling charges of HESCOM, as HRECS has not segregated the costs into distribution business and retail supply business. As such the wheeling charges for HRECS is as indicated below:

4.5.1. Wheeling within HUKERI RECS Area:

The wheeling charges to each voltage level is as under:

**TABLE – 4.2
Wheeling Charges**

Wheeling charges- paise/unit	68.99
	Paise/unit
HT-network	20.70
LT-network	48.30

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

Loss allocation	% loss
HT	8.69
LT	8.76

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

		paise/unit	
Injection point →		HT	LT
Drawal point ↓			
	HT	21.00 [8.69%]	69.00 [17.46%]
	LT	69.00 [17.46%]	48.00 [8.76%]

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 HUKERI RECS network, except for energy wheeled from NCE sources to the consumers with in the State.

4.5.2. WHEELING OF ENERGY USING TRANSMISSION NETWORK OR NETWORK OF MORE THAN ONE LICENSEE

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

- i. If only transmission network is used, transmission charges determined by the Commission shall be payable to the Transmission Licensee.
- ii. If the Transmission network and the distribution Licensees' network are used, Transmission Charges shall be payable to the Transmission Licensee. Wheeling Charges of the Distribution licensee where the power is drawn shall be shared equally among the Distribution licensees whose networks are used.

Illustration:

If a transaction involves transmission network & HUKERI RECS's network and 100 units is injected, then at the drawal point the consumer is entitled for 79.29 units, after accounting for Transmission loss and Distribution losses.

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

- iii. If distribution licensees' network only is used, the Wheeling Charges of the distribution licensee where the power is drawn is payable and shall be shared equally among the distribution licensees whose networks are used.

Illustration:

If a transaction involves injection to BESCO's network & drawal at HUKERI RECS's network, and 100 units is injected, then at the drawal point the consumer is entitled for 82.54 units, after accounting distribution losses.

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

4.5.3. CHARGES FOR WHEELING ENERGY BY NCE SOURCE TO CONSUMERS IN THE STATE

The Commission decides to continue existing wheeling charges at 5% of the injected energy. Further, Wind, MiniHydel and Solar sources of energy shall pay additional banking charges at 2% of the injected energy, irrespective of the network used, in addition to payment of UI charges between the time of injection and time of drawal of power.

The Commission decides not to charge any wheeling charge on transmission / wheeling of solar energy as an encouragement for solar energy generation.

4.5.4. CHARGES FOR WHEELING ENERGY BY NCE SOURCES WHEELING ENERGY FROM THE STATE TO A CONSUMER/OTHERS OUTSIDE THE STATE

In case the NCE energy is wheeled from the State to a consumer/others outside the State, the normal wheeling charges as determined in para 4.5.1 and 4.5.2 of this order shall be applicable.

4.6. Other tariff related issues:

i) Fuel Cost Adjustment Charge

The Commission in its tariff order dated 30th April 2012 had decided to introduce fuel cost adjustment charges. Accordingly, during FY13 the Commission had notified draft Regulations in the official gazette on 5th October 2012 seeking the suggestions / comments of interested persons. The Commission also held a public hearing in the matter on 14th December 2012.

Considering the suggestions / comments, the Commission has notified the Regulations on 22nd March 2013. Accordingly the Fuel cost adjustment charges will come into effect from the billing quarter beginning from 1st July 2013.

ii) Cross subsidy surcharge:

HUKERI RECS has not proposed any cross subsidy surcharge. The Commission in its MYT Regulations has specified the methodology for calculating the cross subsidy surcharge. Based on the above methodology, the category wise cross subsidy will be as indicated below:

Particulars	HT-1 Water Supply	HT-2a Industries	HT-2b Commercial	HT3 (a) Lift Irrigation	HT3 (b) Irrigation & Agricultural Farms	HT-4 Residential Apartments	HT5 Temporary
Average Realization rate- Paise/unit	422.30	616.75	795.93	177.04	439.02	539.00	905.90
Cost of supply at 5% margin @ 66 kV and above level	536.31	536.31	536.31	536.31	536.31	536.31	536.31
Cross subsidy surcharge paise/unit @ 66 kV & above level	-114.00	80.40	259.60	-359.30	-97.30	2.70	369.60
Cost of supply at 5% margin @ HT level	578.20	578.20	578.20	578.20	578.20	578.20	578.20
Cross subsidy surcharge paise/unit @ HT level	-155.90	38.50	217.70	-401.20	-139.20	-39.20	327.70

For the categories where the surcharge is negative, the surcharge is made zero at the respective voltage level. For the remaining categories, the Commission decides to determine the surcharge at 80% of the cross subsidy worked out above, as the cross

subsidy surcharge has to be gradually reduced. Thus, the cross subsidy surcharge is determined as under:

Voltage level	Paise/unit			
	HT-2a	HT-2b	HT-4	HT-5
66 kV & above	64	208	2	296
HT level-11 kV/33kV	31	174	0	262

Since the realisation rate for the newly introduced categories HT2(c)(i) and HT2(c)(ii) is not available, the cross subsidy surcharge shall be calculated based on the actual realisation rate and adopting the surcharge formula as specified in the KERC (Terms and Conditions for Open Access) (First Amendment) Regulations 2006.

The wheeling charges and cross subsidy surcharge determined in this order will supersede the charges determined earlier and are applicable to all open access/wheeling transactions in the area coming under HUKERI RECS.

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.

iii) Rebate for use of Solar Water Heater

The Commission has decided to retain the existing rebate of 50 paise per unit subject to a maximum of Rs.50 per installation per month for use of solar water heaters.

iv) Prompt payment incentive

The Commission had approved a prompt payment incentive (i) in all cases of payment through ECS and (ii) in the case of monthly bill exceeding

Rs.1,00,000/- (Rs. One lakh). The rate of incentive was 0.25 % of the bill amount. The Commission decides to continue the same.

v) Relief to Sick Industries

The Government of Karnataka has extended certain reliefs to sick industries under the New Industrial Policy 2001-06 vide G.O. No. CI 167 SPI 2001, dated 30.06.2001. 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 Tariff Order 2003/2005. The Commission decides to continue the same subject to the collection of the amount of relief from the GoK in advance.

vi) Power Factor

The Commission had retained the PF threshold limit and surcharge, both for LT and HT installations at the then existing levels 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

vii) Rounding off of KW / HP

In the 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 be followed accordingly. 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.

viii) Interest on delayed payment of bills by consumers

The Commission, in its previous Order had approved interest on delayed payment of bills at 12% per annum. The Commission decides to continue the same in this Order also.

ix) Security Deposit (3 MMD/ 2 MMD)

The Commission had issued K.E.R.C. (Security Deposit) Regulations, 2007 on 01.10.2007 and the same has been notified in the official Gazette on 11.10.2007. The payment of security deposit shall be regulated accordingly, pending orders of the Hon'ble High Court in respect of WP 18215/2007.

4.7 Effect of Revised Tariff

As per the KERC (Tariff) Regulations 2000, read with MYT Regulations 2006, the Hukeri RECS has to file their application for ERC/Tariff before 120 days of the close of each financial year in the control period. The Commission observes that the Hukeri RECS has filed their applications for revision of tariff on 31st December 2012. As the tariff revision is effective from the first meter reading date falling on or after **1st June 2013**, Hukeri RECS would be recovering revenue for 10 months only in the current year. Hukeri RECS is directed to file its ERC and tariff application within the time schedule.

4.8 Summary of Tariff Order 2013:

- ❖ The Commission has approved an ARR of Rs. 10770.46 lakhs as against Hukeri RECS's proposed ARR of Rs. 11384.89 lakhs.
- ❖ The Commission has allowed additional revenue of Rs. 973.02 lakhs on tariff revision for all categories as against Hukeri RECS proposal of Rs. 712.87 lakhs.
- ❖ The subsidy payable by Government to meet the tariff determined for BJ/KJ

and IPsets consumers is Rs.7928.27lakhs.

- ❖ Approved increase in revenue is 9.93% against Hukeri RECS's proposed increase of 6.68% for FY14.
- ❖ HUKERI RECS has proposed an increase of 23 paise per unit for all categories of consumers other than BJ/KJ & IP Sets, 29 paise per unit for BJ/KJ and 30 paise per unit for IP Sets. The Commission has increased the tariff for IP Sets and domestic category upto first 100 units by 20 paise per unit and the average increase in tariff for other categories is at 24 paise per unit.
- ❖ Private Hospitals under existing LT3 tariff are recategorised under LT2(b) on par with private educational institutions. Further there is no change in the existing tariff for educational institutions under LT2(b) category.
- ❖ The Commission has not increased the tariff for LT and HT Water Supply installations both in urban and rural areas.
- ❖ Time of the day tariff which was made mandatory in the previous Tariff Order for installations under HT2 (a) and HT2(b) with contract demand of 500KVA and above is continued in this Order.
- ❖ The Commission has notified the Regulations for introduction of Fuel Cost Adjustment charge and the same will be effective from 1st July 2013.
- ❖ A new HT tariff category namely HT2(c) (i) is introduced for Government Hospitals & Hospitals run by Charitable Institutions & ESI Hospitals and Educational Institutions belonging to Government, Local Bodies and Aided Institutions and HT2(c) (ii) applicable for all other hospitals and educational institutions not covered under HT2(c) (i).

4.9 Commission's Order

- 1. In exercise of the powers conferred on the Commission under Sections 62, 64 and other provisions of the Electricity Act 2003, the Commission hereby determines and notifies the distribution and retail supply tariff of HUKERI RECS for FY14 as stated in this Order.**
- 2. The tariff determined in this order shall come into effect for the electricity consumed from the first metering date falling on or after 1stJune 2013.**
- 3. This order is signed dated and issued by the Karnataka Electricity Regulatory Commission at Bangalore this day, the 20thJune2013.**

(M.R.Sreenivasa Murthy)
Chairman

(Vishvanath Hiremath)
Member

(K.Srinivasa Rao)
Member

APPENDIX

REVIEW OF COMPLIANCE OF DIRECTIVES ISSUED BY THE COMMISSION

In the last Tariff Order for FY13, the Commission has directed Hukeri RECS to comply with the following directives. Directives issued and status of compliance is as below.

1) Reduction in the Distribution Losses

(i) In view of the obvious benefits in the introduction of HVDS in reducing distribution losses, the Commission had directed Hukeri RECS to implement High Voltage Distribution System in its jurisdiction during the Financial Year 2012 by utilizing the Capex provision allowed in the ARR for the year.

Compliance:

Hukeri RECS has selected one feeder for implementation of HVDS as a pilot project. It is stated that Hukeri RECS has requested the Principal Secretary, Energy Department, GoK, to release grant for installation of new 25 KVA distribution transformers vide its letter No.RECS/EST/2011-12/7422 dated 08.02.2012.

Commission's Views:

The Commission notes that the Hukeri RECS so far has not complied with the directives for implementation of HVDS programme in its jurisdiction. The Commission directs Hukeri RECS to formulate a time bound action plan immediately to implement the HVDS programme in its entire

jurisdiction as per the guidelines issued by the Commission without any further delay as the area of operation of the society is a compact one and furnish the compliance thereof to the Commission early.

Further, as an effective measure to contain commercial losses in its area of operation, the Commission directs Hukeri RECS to enhance its vigilance activities. The compliance of the above shall be reported to the Commission on a monthly basis.

(ii) Demand Management in Agriculture

In view of the urgent need for conserving energy for the benefit of the consumers in the State, the Commission had directed Hukeri RECS to take up replacement of inefficient irrigation pumps with energy efficient pumps approved by the Bureau of Energy Efficiency, at least in one Sub-Division in its jurisdiction during the Financial Year 2012.

Compliance:

Hukeri RECS has taken up replacement of inefficient irrigation pump sets with energy efficient pumps as a pilot project. A general survey of pump sets is under progress. After completion of the survey these pump sets will be replaced by energy efficient pump sets in co-ordination with Energy Efficiency Services Ltd., under Bureau of Energy Efficiency.

Commission's Views:

Hukeri RECS is directed to expedite the replacement of inefficient irrigation pump sets by energy efficient pumps and complete it in a time bound manner. Hukeri RECS is directed to furnish the progress in this

regard to the Commission immediately.

(iii) Nirantara Jyothi – Feeder Separation

The Commission had directed Hukeri RECS to implement Nirantara Jyothi Project in its area within the Financial Year 2012 and furnish monthly reports to the Commission regarding the progress of implementation.

Compliance:

In HRECS, totally there are 123 villages, out of which 4 villages are already being fed with 24 hours of power supply and hence, they are excluded from NJY Scheme. A Pilot project for implementation of NJY has been implemented and the details of the progress are given in the Table below:

Sl. No:	Particulars		Remarks
1	Total Villages	123	
2	Villages Covered under NJY	119	
3	No of 11kV feeders proposed	19	
4	Cost of the project	17.95 Crores	551 Kms 11kV Line, 183 TC's, 173 Kms LT Line, Special Design Transformers & 4 No's of 11kV Circuit Breakers
5	Awarded firm	M/s High-Tech Electricals, Belgaum	Only 11kV Line, Transformer Centers & LT Lines awarded on Turnkey Basis
6	Awarded Cost	Rs 12.38 Crores	
7	Present progress	All proposed	Proposed NJY Bellad

		NJY Feeders work under progress	Bagewadi Feeder is Commissioned on 22.12.2013
8	Completion Period	March, 2013	

Commission's Views:

The Commission notes the progress achieved so far, in implementation of Niranthara Jyothi Scheme by Hukeri RECS and emphasized the need for completing the same early as envisaged. Therefore, the Commission directs the Hukeri RECS to complete all the NJY Feeders and commission them before August 15, 2013 positively so as to arrange uninterrupted power supply to the villages. The compliance of the same shall be furnished to the Commission early.

(iv) Optimizing Transformer Capacities

The Commission directs that Hukeri RECS should undertake a systematic audit of transformer loads on a quarterly basis and ensure that transformers installed are of optimum capacity, keeping in view the load to be serviced.

Compliance:

A survey has been taken up for 116 numbers of distribution transformers in Hukeri East & West area for providing optimum capacity distribution transformers. In this regard, Hukeri RECS has requested Principal Secretary, Energy Department, GoK to release grant for installation of optimum capacity distribution transformers keeping in view the load to be serviced vide its letter no: RECS/EST/2011-12/7422 dated, 8.02.2012 and the details of analysis will be submitted to the Commission early.

Commission's Views:

The Commission notes that, Hukeri RECS has not submitted the results of the survey undertaken for systematic audit of distribution transformers so as to provide optimal use of capacity of distribution transformers in its area of operation. Therefore, the Commission directs Hukeri RECS to continue to ensure that the distribution transformers installed in its area are of optimum capacity to reduce losses in the system and to furnish the results of the same to the Commission immediately.

(v) Service Centers for Improved Responsiveness

The Commission is also of the view that in order to improve their service to consumers, the distribution licensees must suitably reorganize their field operations. The Commission is of the view that Hukeri RECS should introduce a system of 'Service Centres' manned by a group of 4-5 maintenance workers with appropriate transport facility to enable them to move to the affected area quickly with necessary materials and equipment. The operational area and the level of maintenance work and complaints that can be attended by the 'Service Centres' could also be appropriately defined. In view of the improved communication network in the rural areas, such Centres can function even in the rural areas very effectively. The maintenance crew in the Service Centres can also be utilized to keep a vigil over cases of unauthorized use of electricity and prevent theft of power by obtaining assistance from the local revenue or police authorities wherever necessary. The Commission directs that Hukeri RECS shall introduce the system of adequately equipped 'Service Centres' during the current year and report the results of its operations along with details of additional expenditure to the Commission.

Compliance:

Hukeri RECS has decided to establish service centers to effectively deal with Consumer complaints and the details of the same will be furnished to the Commission shortly.

Further, Hukeri RECS has also decided to create Consumer Grievance Redressal Cell to effectively address all the grievances of the Consumers of the Society and the details of the same will be furnished to the Commission shortly.

Commission's Views:

The Commission notes that, the action taken by Hukeri RECS regarding the measures to handle Consumer complaints is general in nature and does not constitute an effective measure and directed the Hukeri RECS to establish Service Centers immediately in each O&M section to effectively deal with Consumer complaints.

Further, the Commission directs the Hukeri RECS to initiate action to create a Consumer Grievance Redressal Cell to effectively address all the grievances of the consumers of the society without any further delay and report the compliance thereof to the Commission early.

ANNEXURE

ELECTRICITY TARIFF - 2014

K.E.R.C. ORDER DATED: 20.06.2013

**Effective for the Electricity consumed from the first metering
date falling on or after 01.06.2013**

Hukeri Rural Electric Co-operative Society Ltd.,

ELECTRICITY TARIFF-2014

GENERAL TERMS AND CONDITIONS OF TARIFF: **(APPLICABLE TO BOTH HT AND LT)**

1. **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 Electricity Act 2003 at the time of supply and continuation of power supply is subject to compliance of the said Conditions of Supply / Regulations as 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 minimum charges. The minimum charge is the power supply charges in accordance with the tariff in force from time to time. This shall be payable by the Consumer until power supply agreement is terminated, irrespective of the installation being in service or under disconnection.**
4. **The tariffs in the schedule are applicable to power supply within the Karnataka State.**
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 table 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. No LT power supply will be given where the requisitioned load is 50 KW/67 HP and above. This condition does not apply for installations serviced under clause 3.1.1 of K.E.R.C. (Recovery of Expenditure for supply of Electricity) Regulations, 2004 and its amendments from time to time. 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. The Consumer shall notify the office of issue of the bill if the same is not received within 7 days from the meter reading date. 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 upto Rs. 10,000/- | 5% of the amount subject to a minimum of Rs.100/- |
| 2 | Cheque amount of Rs. 10,001/- and upto 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.3,000/- |
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, which ever is higher, in respect of installations provided with Electronic Tri-Vector meter.
- will be considered.
- Penalty and other clauses shall apply if 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 / cellar floor.
21. **Reconnection charges:** The following reconnection charges shall be levied incase 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 up to 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 up to and inclusive of Rs.10, 000/- and payment above Rs.10, 000/-shall be by D.D only.

Note: The Consumers can avail the facility of payment of monthly power supply bill through Electronic clearing system (ECS)/ Credit cards / on line E-Payment @ www.billjunction.com at counters wherever such facility is provided by the Licensee in respect of revenue payments up to the limit prescribed by the RBI.

23. For the types of installations not covered under any Tariff schedules, the Licensee is permitted to classify such installations under appropriate Tariff schedule under intimation to the K.E.R.C.

24. Seasonal Industries

Applicable to all Seasonal Industries.

- i) The industries that intend to avail this benefit shall have Electronic Tri-Vector Meter fitted to their installations.
 - i) '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'.
 - ii) The Maximum Demand/consumption during any month of the declared off-season shall not be more than 50% of the contract demand/average consumption of the previous working season.
 - iii) 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.
 - iv) 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-12 A from the Income Tax department.

26 **Time of the Tariff (ToD)**

The Commission as decides in the earlier tariff order, decide to continue compulsory Time of Day Tariff for HT2(a) and HT2(b) and also decided to extend the same to newly introduced HT2(c) consumers with a contract demand of 500 KVA and above. Further, the optional ToD would continue as existing earlier for HT2(a) and HT2(b) consumers with contract demand of less than 500 KVA. Also the ToD for HT1 consumers on optional basis would continue as existing earlier. Details of ToD tariff are indicated under the respective tariff category.

27. **SICK INDUSTRIES:** The Government of Karnataka has extended certain reliefs to sick industries under the New Industrial Policy 2001-06 vide G.O.No.CI 167 SPI 2001, dated 30.06.2001. 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 Tariff Order 2003. The Commission approves continuation of the implementation of reliefs to sick industries by the Licensees subject to collection of the amount of relief from the GOK in advance.

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 all cases of payment through ECS.
 - (ii) And in the case of monthly bills exceeding Rs.1, 00,000/- (Rs. one lakh), if the payment is made 10 days in advance of the due date.
 - (iii) Advance Payment exceeding Rs.1000/- made by the Consumers towards monthly bills
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 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 Section 26.01 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

ELECTRICITY TARIFF—2014

PART-1

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.

ELECTRICITY TARIFF - 2014

PART-1

HIGH TENSION SUPPLY

Applicable to Bulk Power Supply at Voltages of 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 75% 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 75% 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 No. 126(6) of Electricity Act 2003. If time of day Meter is fixed and is operational, there will be no penalty for over drawal upto 1. 2 times the Contract Demand during off peak hours, provided, the Licensee has declared the peak and off peak periods. For over drawal during peak periods, and over drawal above 1.2 times the Contract Demand during off peak hours, the penalty shall be two times the normal rate.
 - E) During the periods of disconnection, the billing demand shall be 75% of CD, or 75% 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 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 up to 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, he 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 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 conditionalities under Para no. 25 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 75% of the contract demand or the recorded maximum demand during the month, whichever is higher, plus the energy charges
- d. Monthly charges during the off season, shall be demand charges on the maximum demand recorded during the month, or 50% of the CD which ever is higher plus the energy charges.

TARIFF SCHEDULE HT 1

[[Applicable to Water Supply, Drainage / Sewerage water treatment plant and Sewerage Pumping installations, belonging to Karnataka Urban Water Supply and Sewerage Board, other local bodies, State and Central Government.

RATE SCHEDULE

Demand charges	Rs.180/kVA of billing demand/month
Energy charges	380 paise/unit

ToD Tariff at the option of the Consumer

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

Note: 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)

Applicable to Industries, Factories, Workshops, Research & Development Centres, Industrial Estates, Milk dairies, Rice Mills, Phova 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

Theaters, Tissue Culture, Aqua Culture, Prawn Culture, Information Technology Industries engaged in development of Hardware & Software 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, Effluent treatment plants and Drainage water treatment plants owned other than by the local bodies, LPG bottling plants, petroleum pipeline projects, Piggery farms, Analytical Lab. for analysis of ore metals, Saw Mills, Toy/wood industries, Satellite communication centers, and Mineral water processing plants / drinking water bottling plants.

RATE SCHEDULE

HT-2(a): Applicable to all areas of Hukeri RECS.

Demand charges	Rs.170/kVA of billing demand/month
Energy charges	
For the first one lakh units	535 paise per unit
For the balance units	565 paise per unit
Effluent Treatment Plants	
Demand charges	Rs.180/kVA of billing demand/month
Energy Charges	500 paise per unit for all the units

TARIFF SCHEDULE 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, 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 and Power Projects, Petrol / Diesel and Oil storage plants, Information Technology (IT) enabled services and I.T. based medical transcription centers.

RATE SCHEDULE

HT-2 (b): Applicable to all areas of Hukeri RECS

Demand charges	Rs. 190 /kVA of billing demand/month
Energy charges	
For the first two lakh units	675 paise per unit
For the balance units	705 paise per unit

TARIFF SCHEDULE HT-2(c)

RATE SCHEDULE

HT-2 (c) (i)- Applicable to Government Hospitals and Hospitals run by Charitable Institutions and ESI hospitals and Universities, Educational Institutions belonging to Government, Local bodies, Aided Institutions and Hostels of all Educational Institutions.

Demand charges	Rs.170/kVA of billing demand/month
Energy charges	
For the first one lakh units	500 paise per unit
For the balance units	550 paise per unit

RATE SCHEDULE

HT-2 (c) (ii) - Applicable to Hospitals and Educational Institutions and Hostels of Educational Institutions other than those covered under HT-2 (c)(i).

Demand charges	Rs.170/kVA of billing demand/month
Energy charges	
For the first one lakh units	600 paise per unit
For the balance units	650 paise per unit

Note: Applicable to HT-2 (a) , HT-2 (b) & HT-2(c) Tariff Schedule.

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.

TOD Tariff applicable to HT 2(a), HT2(b) and HT2(c) category.

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

TARIFF SCHEDULE HT-3 (a)

Applicable to Lift irrigation Schemes/ Lift irrigation societies,

RATE SCHEDULE

HT-3 (a)(i): Applicable to LI schemes under Govt Departments/ Govt owned Corporations

Energy charges/ Minimum Charges	150 paise per unit subject to an annual minimum of Rs.1000 per HP/Annum
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**HT-3(a)(ii): Applicable to Private LI schemes and Lift Irrigation societies:
Connected to Urban/Express feeders**

Fixed Charges	Rs.30 /HP/PM of sanctioned load
Energy charges	110 paise/unit

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

Fixed Charges	Rs.10 /HP/PM of sanctioned load
Energy charges	110 paise/unit

TARIFF SCHEDULE HT-3 (b)

HT-3 (b): Applicable to Irrigation and Agricultural Farms, Government Horticultural Farms, Private Horticulture nurseries, Coconut & Arecanut Plantations.

RATE SCHEDULE

Energy charges / Minimum Charges	320 Ps. Per unit subject to an annual minimum of Rs.1000/- per HP of sanctioned load.
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Note: These installations are to be billed on quarter yearly basis.

TARIFF SCHEDULE 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.

RATE SCHEDULE Applicable to all areas

Demand charges	Rs.100/- per kVA of billing demand
Energy charges	490 paise/unit

- NOTE:**
- (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.

TARIFF SCHEDULE HT-5

Tariff applicable to 67 HP and above hoardings and advertisement boards and construction power for industries excluding those category of consumers covered under HT2(b) Tariff schedule availing power supply for construction power for irrigation, 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 – Temporary supply RATE SCHEDULE

67 HP and above:	
Fixed charges / Demand Charges	Rs.210/HP/month for the entire sanction load / contract demand
Energy Charge	850 paise / unit

Note:

1. Temporary power supply with or without extension of distribution main shall be **arranged through a pre-paid energy meter** duly observing the 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 the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be complied with before service.

ELECTRICITY TARIFF-2014

PART-II

LOW TENSION SUPPLY
**(400 Volts Three Phase and
230Volts Single Phase Supply)**

ELECTRICITY TARIFF - 2014

PART-II

LOW TENSION SUPPLY
**(400 Volts Three Phase and
230Volts Single Phase Supply)**

CONDITIONS APPLICABLE TO BILLING OF LT INSTALLATIONS:

1. In 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 ever 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 equipments, in a premises having permanent power supply, such equipments 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, (ie, 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:** A rebate of 50 Paise per unit of electricity consumed subject to a maximum of Rs. 50/- per installation per month will be allowed to Tariff schedule LT 2(a), if solar water heaters are installed and used. Where Bulk Solar Water Heater System is installed, Solar Water Heater rebate shall be allowed to each of the individual installations, provided that, the capacity of Solar Water Heater in such apartment / group housing shall be a minimum capacity of 100 Ltr. per household.
 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 case of installations covered under Tariff category LT 3, LT 4, 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.60/-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. 60/-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, 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 alternate 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 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 premises of Commercial / Industrial Units respectively.
23. Fluorescent 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 who intend to utilize seasonal industry benefit, shall comply with the conditionalities under Para no. 25 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 50% of the fixed charges.

TARIFF SCHEDULE LT-1

LT-1: Applicable to installations serviced under Bhagyajyothi and Kutirajyothi (BJ/KJ) schemes.

RATE SCHEDULE

Energy charges (including recovery towards service main charges)	Nil* Fully subsidized by the GOK
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Commission Determined Tariff for the above category i.e., LT-1 is Rs4.67 per unit.

***Since GOK is meeting the full cost of supply to BJ / KJ, the Tariff payable by these Consumers is shown as Nil. However, if the GOK does not release the subsidy in advance, a Tariff of Rs...4.67 per unit subject to monthly minimum of Rs. 30/- per Installation per month shall be demanded and collected from these Consumers.**

Note: If the consumption exceeds 18 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)

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. Also applicable to the installations of (i) Hospitals, Dispensaries, Health Centers 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/Travelers Bungalows run in Government buildings or by State/Central Govt./Religious/Charitable institutions (h) Public libraries (i) Silk rearing (j) Museums (k) Installations of Historical Monuments of Archeology Departments(l) Public Telephone Booths without STD/ISD/FAX facility run by handicapped people (m) Sulabh / NirmalSouchalayas (n) Viswa Sheds having Lighting Loads only.

RATE SCHEDULE

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

Fixed charges per month	For the first KW	Rs.25/- per KW
	For every additional KW	Rs.35/- per KW
Energy charges	For 0 - 30 units (Lifeline consumption)	250 Ps/unit
	31 to 100 units	370Ps /unit
	101 to 200 units	485Ps/unit
	Above 200 units	585 Ps/unit

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

Fixed charges per month	For the first KW	Rs.15/- per KW
	For every additional KW	Rs.25/- per KW
Energy charges	For 0 - 30 units (Lifeline consumption)	240 Ps/unit
	31 to 100 units	340 Ps /unit
	101 to 200 units	455 Ps/unit
	Above 200 units	535 Ps/unit

TARIFF SCHEDULE 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.

RATE SCHEDULE

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

Fixed charges	Rs.35 Per KW subject to a minimum of Rs.65 PM	
Energy charges	0 to 200 units	570 Ps/unit
	Above 200 units	670 Ps/unit

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

Fixed charges	Rs.25 Per KW subject to a minimum of Rs.50 PM	
Energy charges	0 to 200 units	520 Ps/unit
	Above 200 units	620 Ps/unit

Note: Applicable to LT-2 (a), LT-2 (b) Tariff Schedules.

- 1 A rebate of 25 Ps. 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:** A rebate of 50 Paise per unit of electricity consumed to a maximum of Rs.50/- per installation per month will be allowed to Tariff schedule LT 2(a), if solar water heaters are installed and used. Where Bulk Solar Water Heater System is installed, Solar Water Heater rebate shall be allowed to each of the individual installations, provided that, the capacity of Solar Water Heater in such apartment / group housing shall be a minimum capacity of 100 Ltr, per household.

TARIFF SCHEDULE LT-3

Applicable to **Commercial Lighting, Heating and Motive Power** installations of Clinics, Diagnostic Centers, X Ray units, Shops, Stores, Hotels/Restaurants/Boarding and Lodging Homes, Bars, Private guest Houses, Mess, Clubs, KalyanMantaps / 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, Xerox Copiers, Railway Installation excepting Railway workshop, 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, Tailoring 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 cafés, Call centers, Information Technology (IT) enabled services, I.T. based medical transcription centers, **Private Hostels not covered under LT -2 (a), Paying guests accommodation provided in an independent / exclusive premises.**

RATE SCHEDULE

LT-3 (i): Applicable in areas under all urban local bodies including City Municipal Corporations.

Fixed charges	Rs. 40 per KW	
Energy charges	For 0 - 50 units	645 Ps /unit
	Above 50 units	745 Ps /unit

Demand based tariff (optional) where sanctioned load is above 5 KW but below 50 KW	
Fixed charges	Rs. 55 per KW
Energy charges	As above

RATE SCHEDULE

LT-3 (ii): Applicable in Areas under Village Panchayats

Fixed charges	Rs. 30 per KW	
Energy charges	For 0 - 50 units	595 Ps /unit
	Above 50 units	695 Ps /unit

Demand based tariff (optional) where sanctioned load is above 5 KW but below 50 KW	
Fixed charges	Rs. 45 per KW
Energy charges	As above

- Note:**
1. 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.
 2. The semi permanent Cinemas should have semi Permanent Structure with permanent wiring and licence for a duration of not less than one year.
 3. 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.
 4. 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.**

5. 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-4 (a), LT-4 (b) & LT-4(c)

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.

TARIFF SCHEDULE LT-4 (a)
Applicable to I.P. Sets Up to and inclusive of 10 HP
RATE SCHEDULE

Fixed charges	Free
Energy charges	

Commission Determined Tariff (CDT) for LT4 (a) category is 461 Paise per unit. In case the GOK does not release the subsidy in advance in the manner specified by the Commission in K.E.R.C. (Manner of Payment of subsidy) Regulations, 2008, CDT of 461Paise per unit shall be demanded and collected from these Consumers.

Note: This Tariff is applicable for Coconut and Areca nut plantations also.

TARIFF SCHEDULE LT-4 (b):
Applicable to IP sets above 10 HP
RATE SCHEDULE

Fixed charges	Rs.30 per HP per month.
Energy charges	175 paise per unit

TARIFF SCHEDULE LT-4 (c) (i):
Applicable to IP sets in Private Horticultural Nurseries, plantations of sanctioned load up to and inclusive of 10 HP.
RATE SCHEDULE

Fixed charges	Rs.20 per HP per month.
Energy charges	175 paise per unit

TARIFF SCHEDULE LT-4 (c)(ii):
Applicable to Private Horticultural Nurseries, plantations of sanctioned load above 10 HP.
RATE SCHEDULE

Fixed charges	Rs.30 per HP per month.
Energy charges	175 paise per unit

Note:

- 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 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 alternate 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

Applicable to **Heating & Motive power (including lighting)** installations of industrial Units, Workshops, Poultry Farms, Sugarcane Crushers, Coffee Pulping, Cardamom drying, Mushroom raising installations, Flour, Huller & Rice Mills, Wet Grinders, Milk dairies, Dry Cleaners and Laundries having washing, Drying, Ironing etc., Bulk Ice Cream and Ice manufacturing Units, Coffee Roasting and Grinding Works, Cold Storage Plants, Bakery Product Mfg. Units, 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 as certified by the IT & BT Department of GOK/GOI, 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, Drainage water treatment plants, LPG bottling plants and petroleum pipeline projects, Piggery farms, Analytical Lab. for analysis of ore metals, Satellite communication centers, Mineral water processing plants / drinking water bottling plants and soda fountain units.

RATE SCHEDULE

LT 5 Applicable to all the areas of Hukeri RECS

i. Fixed charges

Fixed charges	i) Rs. 25 per HP for 5 HP & below ii) Rs. 30 per HP for above 5 HP & below 40 HP iii) Rs. 35 per HP for 40 HP & above but below 67 HP iv) Rs. 100 per HP for 67 HP & above
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ii. Demand based Tariff (optional)

Fixed charges	Above 5 HP and less than 40 HP	Rs. 45 per KW of billing demand
	40 HP and above but less than 67 HP	Rs. 60 per KW of billing demand
	67 HP and above	Rs. 150 per KW of billing demand

iii. Energy Charges

0 to 500 units	425 Ps/unit
501 to 1000 units	495 Ps/unit
Above 1000 units	525 Ps/unit

TOD Tariff applicable to LT-5: At the option of the Consumer

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

18.00 Hrs to 22.00 Hrs	+ 100 paise per unit
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NOTE:

1. DEMAND BASED TARIFF

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

Applicable to water supply and sewerage pumping installations **and also Applicable to Public Street lights/Park lights** of village Panchayat, Town Panchayat, Town Municipalities, City Municipalities / Corporations / State and Central Govt. / APMC, Traffic signals, 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 and associated load of the gateman hut provided at the Railway level crossing.

RATE SCHEDULE

Water Supply- <u>LT-6 (a)</u>	
Fixed charges	Rs. 35/HP/month
Energy charges	320 Ps/unit
Public lighting- <u>LT-6 (b)</u>	
Fixed charges	Rs. 50/KW/month
Energy charges	445 Ps/unit

TARIFF SCHEDULE LT-7

Applicable to Hoardings& Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the interest of Public such as Police Canopy Directionboards, and other sign boards sponsored by the Private Advertising Agencies. Temporary Power Supply of all categories

RATE SCHEDULE

Less than 67 HP:	Energy charge at 850 Ps/unit, subject to a weekly minimum of Rs. 160 per KW of the sanctioned load.
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Note:

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 license 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.

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