

## CHAPTER – 6

### DETERMINATION OF RETAIL SUPPLY TARIFF FOR FY18

#### 6.0 Revision of Retail Supply Tariff for FY18-BESCOM's Proposals and Commission's Decisions:

##### 6.1 Tariff Application

As per the Tariff application filed by the BESCOM, it has projected an unmet gap in revenue of Rs.3902.86 Crores for FY18, which also includes the gap in revenue of Rs.1424.40 for FY16. In order to bridge this gap in revenue, BESCOM has proposed a uniform tariff increase of 148 paise per unit, in respect of all the categories of consumers. Subsequently, BESCOM has filed an amendment application by proposing the increase the energy charges to domestic category with telescopic tariff and increase in demand charges and reduction of energy charges in respect of HT category of consumers.

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

##### 6.2 Statutory Provisions guiding determination of Tariff

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

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

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

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

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

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

As discussed in the earlier tariff orders, the Commission continues to fix tariff below the average cost of supply in respect of consumers whose ability to pay is considered inadequate and also fix tariff at or above the average cost of supply for categories of consumers whose ability to pay is considered to be higher. Thus, the system of cross subsidy continues. However, the Commission has taken due care to progressively bring down the cross subsidy levels as envisaged in the Tariff Policy 2016 issued by the Government of India.

#### **b) Average Cost of Supply:**

The Commission has been determining the retail supply tariff based on the average cost of supply. The KERC (Tariff) Regulations, 2000, as amended from time to time, require the licensees to provide details of embedded cost of electricity voltage / consumer category-wise. The distribution network of Karnataka is such that, it is difficult to segregate the common cost between voltage levels. Therefore, the Commission has decided to continue the average cost of supply approach for recovery of the ARR. With regard to the indication of voltage-wise cross subsidy with reference to the voltage-wise cost of supply, the same is indicated in the Annexure to this Order.

c) **Differential Tariff:**

The Commission has been determining differential retail supply tariff for consumers in urban and rural areas, beginning with its Tariff Order dated 25<sup>th</sup> November, 2009. The Commission decides to continue the same in the present order also.

Further, in this Tariff Order, the slab-rates for BESCOM's domestic consumers for levying energy charges are in variance with other ESCOMs, which is in partial acceptance of the BESCOM's prayer in its amended petition dated 16<sup>th</sup> February, 2017, as discussed later in this Chapter.

## 6.4 **New Tariff Proposals by BESCOM:**

i) **Tariff determination for Auxiliary Consumption of KPTCL's Sub-stations:**

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

**BESCOM Submission:**

BESCOM has requested fixation of tariff for KPTCL's Auxiliary consumption on the following grounds:

1. The power utilized by KPTCL Substations for auxiliary consumption purpose is supplied by ESCOMs through a separate feeder or local feeder. The power so supplied by ESCOMs is from the pooled purchase of power from different sources at different rates. The cost incurred in procurement of power by the ESCOMs, need to be paid by the KPTCL.

2. The auxiliary consumption of PGCIL stations, being the transmission utility, is being billed under commercial tariff.
3. The auxiliary consumption of KPTCL Substations is being billed at average power purchase cost of the ESCOMs where the substations are geographically located, from June, 2005 to October 2016 as per the KPTCL's letter dated 15.12.2005.

**Commission's analysis and decision:**

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

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

Conditions of Supply of Electricity by Distribution Licensees in the State of Karnataka. Accordingly, the ESCOMs have filed the petitions.

From the submissions made by BESCOM, it is clear that, the power utilized by KPTCL Sub-stations for the consumption purpose is being supplied by the ESCOMs through a separate / local feeder. Since, KPTCL is responsible for accounting the energy purchased by the ESCOMs upto the interface point of the ESCOMs and the energy utilized by KPTCL Substations for auxiliary consumption purpose has not been recognized in computation of transmission losses, the energy supplied from the distribution network of the ESCOMs for the consumption of the KPTCL Sub stations has to be accounted and charged in accordance with the provisions of the KERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006.

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

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

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

**ii) Amendment Petition seeking increase in demand charges of HT Installations and modification of slabs for Domestic Consumers:**

BESCOM in its amendment petition dated 16<sup>th</sup> February, 2017, has requested for:

- a) Creation of additional slabs in respect of Domestic consumers – LT2(a)(i) and (ii) and revision the tariff as suggested therein;
- b) Concessional tariff of Rs.5.98 per unit for street lights using LED bulbs and higher tariff of Rs.11 per unit for street lights not using LED bulbs; and
- c) Increasing the demand charges and reduction in energy charges in respect of HT 1, HT 2(a) (b) (c) and HT 4 Installations.

The Commission has dealt with these issues as follows:

**iii) Creation of additional slabs in respect of Domestic consumers:**

BESCOM has proposed telescopic tariff in respect of domestic consumers of areas of BBMP and all other urban local bodies, as follows:

1. Rs.3.60 per unit up to 30 units.
2. Rs.5.30 for all the units consumed in the month, if the consumption exceeds 31 units and up to 100 units.
3. Rs.7.10 for all the units consumed in the month, if the consumption exceeds 101 units and up to 200 units.
4. Rs.6.40 for all the units from 1 to 300 units consumed in the month
5. Rs.6.90 for all the units consumed from 301 units to 400 units in the month
6. Rs.7.20 for all the units consumed from 401 to 500 units in a month.
7. Rs.7.50 for all the units consumed above 500 units per month.

In respect domestic consumers of village panchayat areas, the BESCOM has proposed the following slab rates:

1. Rs.3.50 per unit up to 30 units.
2. Rs.4.90 for all the units consumed in the month, if the consumption exceeds 31 units and up to 100 units.
3. Rs.6.70 for all the units consumed in the month, if the consumption exceeds 101 units and up to 200 units.
4. Rs.6.10 for all the units from 1 to 300 units consumed in the month
5. Rs.6.70 for all the units consumed from 301 units to 400 units in the month
6. Rs.7.10 for all the units consumed from 401 to 500 units in a month.
7. Rs.7.40 for all the units consumed above 500 units per month.

#### **Consumers' Response:**

The consumers have opposed the proposal to introduce telescopic scales for the following reasons:

- i) The proposal is against the principle of natural justice as the slab system and benefit of slab system is allowed to all the tax payer / consumers by the Income Tax and the BWSSB.
- ii) In a situation where there is surplus power, higher consumption should be encouraged by offering lower tariff. BESCOM's proposal is against this spirit.
- iii) The proposal is an attempt to address the issue of HT consumers, who are exiting the BESCOM net by opting for open access, which would in effect amount to collecting increased tariff from the domestic consumers and giving it to rich HT consumers.
- iv) The increase in tariff should be uniformly spread over all the consumers and in case if any concession is to be extended, the Government should provide subsidy for such concessions. The, BESCOM is trying to take over the role of the Government.

**Commission's Analysis and decisions:**

While submitting the new proposal, the BESCOM has furnished details of additional revenue likely to be realised from these categories. But while doing so, it has not furnished the basis for projecting the sales and connected load under each slab and the financial impact on the consumers. Thus, the proposal is incomplete in so far as the revenue estimates are concerned. However, BESCOM has stated that the proposed ARR will not undergo any change as the increase in revenue from a few consumer categories would get setoff against reduction in tariff to other consumers.

The Commission would like to point out that the tariff structure in respect of domestic consumers is uniform across the State. The Government of Karnataka has also favoured a uniform tariff in the State. Keeping this in view, the Commission is unable to accept the proposal of the BESCOM to introduce telescopic slabs with a different tariff structure to BESCOM consumers. The Commission also appreciates the point that in the current surplus power situation higher consumption should not be discouraged but encouraged especially by cross subsidizing consumers. However, considering the large consumer base of domestic consumers in BESCOM area, the Commission has considered a change in the slabs of domestic consumers under tariff schedule LT2(a)(i) and LT2(a) (II), without changing the basic tariff structure. The details of the same are indicated in the respective tariff schedules, of this order.

**iv) Concessional tariff for street lights using LED bulbs and higher tariff for street lights not using LED bulbs:**

The Commission does not find merit in the proposal, since the dis-incentive for non-use of LED bulbs is too harsh and if implemented, would only add to the huge revenue arrears already existing in this category, besides defeating the principles of cross subsidy surcharge. The Commission decides to continue to extend the existing incentive for usage of LED bulbs for street light installations, as indicated in the respective Tariff Schedules of the Tariff Order.



**v) Increase in Demand Charges and reduction in energy charges to all the HT consumers**

BESCOM in its petition dated 16<sup>th</sup> February, 2017 has proposed increase in Demand Charges (Fixed Cost) and reduction in energy charges to all the HT consumers for the following reasons:

- i) The ratio of fixed and variable cost of power purchase cost payable to the private generators is 33: 67.
- ii) All the ESCOMs in the state are recovering the fixed cost of their distribution network in the ratio of 11:89.
- iii) BESCOM is recovering 22% of the fixed cost through energy charge (variable charge) and since the HT consumers are opting for open access, it is not able to recover the variable costs which include the fixed cost by Rs.10/- (Rupees Ten only) Per KVA/HP/KW for all the consumers.
- iv) The contribution of Fixed cost is only 11% of the ARR and the remaining fixed cost is camouflaged in the energy charges, which are higher.

With the above justification, the BESCOM has proposed to increase the Demand charges upto Rs.250 per KVA of the billing demand from the existing Demand Charge of Rs.180 -200 per KVA. BESCOM has also proposed reduction energy charges ranging between 45 Paise to 95 paise per unit to the various categories of HT consumers.

**Consumers' Response:**

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

**Commission's analysis and decision:**

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

The Commission in its Tariff Order dated 30<sup>th</sup> March, 2016 had considered increase in demand charges to the consumers of all the ESCOMs in the State.

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

In pursuance of the above, the Commission has again reviewed the status of recovery of fixed charges while revising the tariff for FY18. The fixed costs to be incurred by BESCOM to supply power to its consumers for FY18, consists of the following components:

Activity	Total Fixed Cost to be incurred -Rs. Crs.
Generation	2648.78
Transmission including SLDC charges	1881.02
Distribution network cost	1483.41
<b>Total Fixed cost of BESCOM</b>	<b>6013.21</b>

The approved Net ARR of BESCOM is Rs. 16914.19 Crores out of which, RS.6013.21 Crores is towards fixed cost. As per the existing Revenue rates, BESCOM recovers an amount of Rs. 1922.71 Crores towards the fixed cost, which accounts for recovery of 32% of the fixed cost, incurred by the BESCOM.

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

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

In respect of HT consumers, the ESCOMS have proposed to introduce ToD billing for morning peak between 6 AM to 10AM in addition to the prevailing ToD billing for usage of energy during evening peak (6 p.m. to 10 p.m.) and not to allow any incentive for off peak usage (during night hours) against the existing rate of Rs.1.25 per unit.

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

load curve to night hours which is helpful for optimum power generation during night hours.

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

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

#### 6.5 Revenue at existing tariff and deficit for FY18:

The Commission in its preceding Chapters has decided to carry forward the gap in revenue of Rs.692.42 Crores of FY16 to the ARR of FY18. The gap in revenue for FY18 is proposed to be filled up by revision of Retail Supply Tariff, as discussed in the following paragraphs of this Chapter.

Considering the approved ARR for FY18 and the revenue as per the existing tariff, the gap in revenue for FY18 is as follows:

**TABLE – 6.1**  
**Revenue Deficit for FY18**  
Amount Rs. in Crores

Particulars	Amount
Approved Net ARR for FY18 including gap of FY16	16914.19
Revenue at existing tariff	15660.10
Surplus / (-) Deficit	(1254.09)
Additional Revenue to be realised by Revision of Tariff	1254.09

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

## 6.6 Category-wise Existing, Proposed and Approved Tariffs:

### 1. LT-1 Bhagya Jyothi:

The existing tariff and the tariff proposed by BESCOM are given below:

Sl. No	Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
1	Energy charges (including recovery towards service main charges)	596 Paise / Unit Subject to a monthly minimum of Rs.30 per installation per month.	744 Paise / Unit Subject to a monthly minimum of Rs.30 per installation per month.

### Commission's Views/ Decision

The Government of Karnataka has continued its policy of providing free power to all BJ/KJ consumers with a single outlet, whose consumption is not more than 40 units per month vide Government Order No. EN12 PSR 2017 dated 20<sup>th</sup> March, 2017 (instead of the earlier limit of 18 units per month). Based on the present average cost of supply, the tariff payable by these BJ/KJ consumers is revised to Rs.6.48 per unit.

Further, the ESCOMs have to claim subsidy for only those consumers who consume 40 units or less per month per installation. If the consumption exceeds 40 units per month or if any BJ/KJ installation is found to have more than one outlet, it shall be billed as per the Tariff Schedule LT 2(a).

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

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

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

**\*Since GOK is meeting the full cost of supply to BJ / KJ, the Tariff payable by these Consumers is shown as nil. However, if the GOK does not release the subsidy in advance, a Tariff of Rs.6.48 per unit subject to a monthly minimum of Rs.30 per installation per month, shall be demanded and collected from these consumers.**

**2. LT2 - Domestic Consumers:****BESCOM'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 Bruhat Bangalore Mahanagara Palike (BBMP),  
Municipal Corporations and all Urban Local Bodies**

<b>Details</b>	<b>Existing as per 2016 Tariff Order</b>	<b>Proposed by BESCOM</b>	<b>As per Revised proposal by BESCOM dated 16.02.2017:</b>
Fixed Charges per Month	For the first KW Rs.30	For the first KW Rs.30	For the first KW Rs.30
	For every additional KW Rs.40	For every additional KW Rs.40	For every additional KW Rs.40
Energy Charges 0-30 units <b>(life line Consumption )</b>	0 to 30 units:300 paise/unit	0 to 30 units: 448 paise/unit	0 to 30 units: 360paise/unit
Energy Charges exceeding 30 units per month	31 to 100 units:440 paise/unit	31 to 100 units: 588 paise / unit	31 to 100 units: 530 paise/unit (for all units from 1 to 100 units).
	101 to 200 units:590 paise /unit	101 to 200 units:738 paise /unit	101 to 200 units:710paise /unit (for all units from 1 to 200 units).
	Above 200 units:690paise /unit	Above 200 units:838paise /unit	201 to 300 units:640paise /unit (for all units from 1 to 300 units).

			301 to 400 units:690paise /unit (for all units from 1 to 400 units).
			401 to 500 units:720paise /unit (for all units from 1 to 500 units).
			Above 500 KWH: 750 paise for all units

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

#### Applicable to Areas under Village Panchayats

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM	As per Revised proposal by BESCOM dated 16.02.2017
Fixed charges per Month	For the first KW Rs.20	For the first KW Rs.20	For the first KW Rs.20
	For every additional KW Rs.30	For every additional KW Rs.30	For every additional KW Rs.30
Energy Charges 0-30 units ( <b>life line Consumption</b> )	Upto 30 units:290 paise /unit	0 to 30 units:438 paise /unit	0 to 30 units: 350paise/unit
Energy Charges exceeding 30 Units per month	31 to 100 units:410 paise / unit	31 to 100 units:558 paise / unit	31 to 100 units: 490paise / unit (for all units from 1 to 100 units).
	101 to 200 units: 560 paise /unit	101 to 200 units: 708 paise /unit	101 to 200 units:670paise /unit (for all units from 1 to 200 units).
	Above 200 units: 640 paise /unit	Above 200 units:788 paise /unit	201 to 300 units:610paise /unit (for all units from 1 to 300 units).
			301 to 400 units:670paise /unit (for all units from 1 to 400 units).
			401 to 500 units:710paise /unit (for all units from 1 to 500 units).
			Above 500 KWH: 740 paise for all units

### Commission's decision

As made out in para 6.4(iii), the Commission decides to change the existing slab system of billing the energy consumption and continue with the two tier tariff structure in respect of the domestic consumers as shown below:

- (i) Areas coming under Bruhat Bangalore Mahanagara Palike (BBMP) Area, 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 Bruhat Bangalore Mahanagara Palike (BBMP) Municipal Corporations and all Urban Local Bodies**

Details	Tariff approved by the Commission
Fixed charges per Month	For the first KW: Rs.40/-
	For every additional KW Rs.50/-
Energy Charges up to 30 units per month (0-30 units)- <b>life line consumption.</b>	Upto 30 units: 325paise/unit
Energy Charges in case the consumption exceeds 30 units per month	31 to 100 units:470 paise/unit
	101 to 200 units:625 paise/unit
	201 to 300 units: 730 paise/unit
	301 to 400 units: 735 paise/unit
	Above 400 units: 740 paise/unit

**Approved Tariff for LT-2(a) (ii) Domestic Consumers Category:**

**Applicable to Areas under Village Panchayats**

Details	Tariff approved by the Commission
Fixed Charges per Month	For the first KW: Rs.25/-
	For every additional KW Rs.40/-
Energy Charges up to 30 units per month (0-30 Units)- <b>Lifeline Consumption</b>	Up to 30 units: 315 paise/unit
Energy Charges in case the consumption exceeds 30 units per month	31 to 100 units: 440 paise/unit
	101 to 200 units:595paise/unit
	201 to 300 units: 680 paise/unit
	Above 300 units: 685 paise/unit



**LT2 (b) Private and Professional Educational Institutions& Private Hospitals and Nursing Homes:**

**BESCOM's Proposal:**

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

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	Rs.45 Per KW subject to a minimum of Rs.75 per month	Rs.45 Per KW subject to a minimum of Rs.75 per month
Energy Charges	For the first 200 units 625 paise per unit	For the first 200 units 773 paise per unit
	Above 200 units 745 paise per unit	For the balance units 893 paise per unit

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	Rs.35 per KW subject to a minimum of Rs.60 per Month	Rs.35 per KW subject to a minimum of Rs.60 per Month
Energy Charges	For the first 200 units: 570 paise per unit	For the first 200 units:718 paise per unit
	Above 200 units: 690 paise per unit	For the balance units:838 paise per unit

**Commission's decision**

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

- (i) Areas coming under BBMP, Municipal Corporation and all urban local bodies.
- (ii) Areas under Village Panchayats.

**Approved Tariff for LT 2 (b) (i)****Private Professional and other private Educational Institutions, Private Hospitals and Nursing Homes****Applicable to areas under BBMP, Municipal Corporations and all other urban Local Bodies.**

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs.55 per KW subject to a minimum of Rs.85 per Month
Energy Charges	0-200 units: 650 paise/unit
	Above 200 units: 775 paise/unit

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

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

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

The existing and proposed tariff are as follows:

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs.50 per KW	Rs.50 per KW
Energy Charges	For the first 50 units:715 paise per unit	For the first 50 units:863paise per unit
	For the balance units:815 paise per unit	For the balance units: 963 paise per unit

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed charges	Rs.65 per KW	Rs.65 per KW
Energy Charges	For the first 50 units:715paise per unit	For the first 50 units:863paise per unit
	For the balance units:815 paise per unit	For the balance units:963 paise per unit

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	Rs.40 per KW	Rs.40 per KW
Energy Charges	For the first 50 units:665paise per unit	For the first 50 units:813 paise per unit
	For the balance units:765paise per unit	For the balance units:913paise per unit

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	Rs.55 per KW	Rs.55 per KW
Energy Charges	For the first 50 units:665paise per unit	For the first 50 units:813 paise per unit
	For the balance units:765 paise per unit	For the balance units:913 paise per unit

**Commission's Views/ Decision**

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

- (i) Areas coming under BBMP, Municipal Corporations and other urban local bodies.
- (ii) Areas under Village Panchayats.

**Approved Tariff for LT- 3 (i) Commercial Lighting, Heating & Motive  
Applicable to areas under BBMP, Municipal Corporations and other Urban Local  
Bodies**

Details	Approved by the Commission
Fixed Charges per Month	Rs.60 per KW
Energy Charges	For the first 50 units: 750 paise/ unit
	For the balance units: 850 paise/unit

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

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

**Approved Tariff for LT-3 (ii) Commercial Lighting, Heating and Motive  
Applicable to areas under Village Panchayats**

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

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

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

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

**BESCOM's Proposal:**

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

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Nil	Nil
Energy charges	CDT 286paise per unit	Free (In case GoK does not release the subsidy in advance, CDT of 434paise per unit will be demanded and collected from consumers)

**Commission's Decision**

The Government of Karnataka has extended free supply of power to farmers as per Government Order No. EN 55 PSR 2008 dated 04.09.2008. As per this policy of GoK, **the entire cost of supply** to IP sets up to and inclusive of 10 HP is being borne by the GoK through tariff subsidy. In view of this, all the consumers under the existing LT-4(a) tariff are covered under free supply of power.

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

**Approved CDT for IP Sets for FY18**

Particulars	BESCOM
Approved ARR in Rs. Crore	16914.19
Revenue from other than IP & BJ/KJ installations in Rs. Crore	14772.95
Amount to be recovered from IP & BJ/KJ installations in Rs. Crore	2141.24
Approved Sales to BJ/KJ installations in MU	130.37
Revenue from BJ/KJ installations at Average Cost of supply in Rs. crore	84.48
Amount to be recovered from IP Sets category in Rs. crore	2056.76
Approved Sale to IP Sets in MU	6157.95
<b>Commission Determined Tariff (CDT) for IP set Category for FY18 in Rs/Unit</b>	<b>3.34</b>

Accordingly, the Commission decides to approve tariff of Rs.3.34 per unit as CDT for FY18 for IP Set category under LT4 (a). In case the GoK does not release the subsidy in advance, a tariff of Rs.3.34 per unit shall be demanded and collected from these consumers.

**Approved by the Commission**

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

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

Details	Approved by the Commission
Fixed charges per Month Energy charges	Nil*
CDT (Commission Determined Tariff): 334 paise per unit	

**\* In case the GoK does not release the subsidy in advance, a tariff of Rs.3.34 per unit shall be demanded and collected from these consumers.**

The Commission has been issuing directives to ESCOMs for conducting Energy Audit at the Distribution Transformer Centre (DTC)/feeder level for proper assessment of distribution losses and to enable detection and prevention of commercial loss. In view of substantial progress in implementation of feeder segregation under NJY scheme, the ESCOMs were also directed to submit IP set consumption on the basis of the meter readings of the 11 kV feeders at the substation level duly deducting the energy losses in 11kV lines, distribution transformers & LT lines, in order to compute the consumption of power by IP sets accurately. Further, in the Tariff Order 2016, the ESCOMs were also directed to take up enumeration of IP sets, 11 KV feeder-wise by capturing the GPS co-ordinates of each live IP set in their jurisdiction. In this regard, the Commission has noted that **the ESCOMs have complied partly with these directions and they have initiated measures to achieve** full compliance. The ESCOMs need to ensure full compliance as this has direct impact on their revenues and tariff payable by other categories of consumers.

For the forgoing reasons, the Commission directs the ESCOMs as follows:

The ESCOMs shall manage supply of power to the IP sets for the FY18, so as to ensure that it is within the quantum of subsidy committed by the GoK. They shall procure power which is proportional to such supply. In case the ESCOMs opt to supply power to the IP sets in excess of the quantum corresponding to the amount of subsidy the GoK has assured to be released for FY18, the difference in the amount of subsidy relating to such supply shall be claimed from the GoK. If the difference in subsidy is not paid by the GoK, the same has to be collected from the IP set consumers.

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

##### BESCOM's Proposal

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

##### LT-4 (b) Irrigation Pump Sets: Applicable to IP Sets above 10 HP

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs.40 per HP	Rs.40 per HP
Energy charges for the entire consumption	280 paise per unit	428 paise per unit

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

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs.30 per HP	Rs.30 per HP
Energy charges for the entire consumption	280 paise per unit	428 paise per unit

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs.40 per HP	Rs.40 per HP
Energy charges for the entire consumption	280paise per unit	428paise per unit

**Approved Tariff:**

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

**LT-4 (b) Irrigation Pump Sets:  
Applicable to IP Sets above 10 HP**

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

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

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

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

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

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

**BESCOM's Proposal:**

The existing and proposed tariffs are given below:



**LT-5 (a) LT Industries:****Applicable to Bruhat Bangalore Mahanagara Palike (BBMP) and  
Other Municipal Corporation areas****i) Fixed charges**

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed charges per Month	i) Rs. 35 per HP for 5 HP & below ii) Rs. 35 per HP for above 5 HP & below 40 HP iii) Rs. 45 per HP for 40 HP & above but below 67 HP iv) Rs. 110 per HP for 67 HP & above	i) Rs. 35 per HP for 5 HP & below ii) Rs. 35 per HP for above 5 HP & below 40 HP iii) Rs. 45 per HP for 40 HP & above but below 67 HP iv) Rs. 110 per HP for 67 HP & above

**Demand based Tariff (Optional)**

Details	Description	Existing Tariff as per 2016 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.55 per KW of billing demand	Rs.55 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.75 per KW of billing demand	Rs.75 per KW of billing demand
	67 HP and above	Rs.160 per KW of billing demand	Rs.160 per KW of billing demand

**ii) Energy Charges**

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
For the first 500 units	510paise per unit	658paise/ unit
For the balance units	630paise per unit	778paise /unit

**LT-5 (b) LT Industries:**

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

**i) Fixed charges**

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	i) Rs.30 per HP for 5 HP & below ii) Rs.35 per HP for above 5 HP & below 40 HP iii) Rs.40 per HP for 40 HP & above but below 67 HP iv) Rs.100 per HP for 67 HP & above	i) Rs.30 per HP for 5 HP & below ii) Rs.35 per HP for above 5 HP & below 40 HP iii) Rs.40 per HP for 40 HP & above but below 67 HP iv) Rs.100 per HP for 67 HP & above

**Demand based Tariff (optional)**

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

**ii) Energy Charges**

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
For the first 500 units	485paise per unit	633paise/ unit
For the next 500 units	570paise per unit	718paise/ unit
For the balance units	600paise per unit	748paise/ unit

**Existing ToD Tariff for LT5 (a) & (b): At the option of the consumers****ToD Tariff**

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

**Proposed ToD Tariff for LT5 (a) & (b): At the option of the consumers**

**ToD Tariff**

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

**Commission's Decision:****Time of the Day Tariff:**

The decision of the Commission in its earlier Tariff Orders, providing for mandatory Time of Day Tariff for HT2(a), HT2(b) and HT2(c) consumers with a contract demand of 500 KVA and above is continued. The optional ToD will continue as existing for HT2(a), HT2(b) and HT2(c) consumers with contract demand of less than 500 KVA. Further, for LT5 and HT1 consumers, the optional ToD is continued as existing.

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

- i) LT5 (a): For areas falling under BBMP and Municipal Corporations
- ii) LT5 (b): For areas other than those covered under LT5 (a) above.

**Approved Tariff:**

The Commission approves the tariff under LT 5 (a) and LT 5 (b) as given below:

**Approved Tariff for LT 5 (a):****Applicable to areas under BBMP and other Municipal Corporations****i) Fixed charges**

Details	Approved by the Commission
Fixed Charges per Month	<ul style="list-style-type: none"> <li>i) Rs.40 per HP for 5 HP &amp; below</li> <li>ii) Rs.45 per HP for above 5 HP &amp; below 40 HP</li> <li>iii) Rs.60 per HP for 40 HP &amp; above but below 67 HP</li> <li>iv) Rs.120 per HP for 67 HP &amp; above</li> </ul>

**Demand based Tariff (optional)**

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.65 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.90 per KW of billing demand
	67 HP and above	Rs.170 per KW of billing demand

**ii) Energy Charges**

Details	Approved by the Commission
For the first 500 units	525 paise/unit
For the balance units	650 paise/ unit

**Approved Tariff for LT 5 (b):**

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

**i) Fixed charges**

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

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

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

**iii) Energy Charges**

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

As discussed earlier in this Chapter, the approved ToD Tariff for LT5 (a) & (b): At the option of the consumers

**ToD Tariff**

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

**6. LT6 Water Supply Installations and Street Lights:**

**BESCOM's Proposal:**

The existing and the proposed tariffs are given below:

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs.45/HP/month	Rs.45/HP/month
Energy charges	390 paise/unit	538 paise/unit

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

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs.60/KW/month	Rs.60/KW/month
Energy charges without LED bulbs	550 paise/unit	698 paise/unit
Energy charges for LED / Induction	450 paise/unit	598 paise/unit

As discussed earlier in this Chapter, the Commission has not accepted the proposal to charge double the tariff for the streetlights installations not using LED bulbs. Hence, Commission approves the tariff for these categories are as follows:

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

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

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

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

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

**BESCOM's Proposal:**

The existing rate and the proposed rate are given below:

**Tariff Schedule LT-7(a)**  
**Applicable to Temporary power Supply for all purposes.**

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
a) Less than 67 HP:	Energy charge at 950paise per unit subject to a weekly minimum of Rs.170 per KW of the sanctioned load.	Energy charge at 1098paise per unit subject to a weekly minimum of Rs.170 per KW of the sanctioned load.

**TARIFF SCHEDULE LT-7(b)**

**Applicable to power supply to Hoardings & Advertisement boards on Permanent connection basis**

Details	Existing as per 2016 Tariff Order	Proposed by BESCOM
a) Less than 67 HP:	Fixed Cost Rs.50 per KW/ month of the sanctioned load.	Fixed Cost Rs.50 per KW/ month of the sanctioned load.
	Energy charge at 950 paise per unit	Energy charge at 1098 paise per unit

### Commission's decision

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

With this, the Commission decides to approve the tariff for LT-7 category as follows:

#### TARIFF SCHEDULE LT-7(a)

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

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

#### TARIFF SCHEDULE LT-7(b)

**Applicable to Hoardings & Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the interest of public such as Police Canopy Direction boards, and other sign boards sponsored by Private Advertising Agencies / firms on permanent connection basis.**

LT 7(b)	Details	Approved Tariff
Power supply on permanent connection basis	Less than 67 HP:	Fixed Charges at Rs.60 per KW / month
		Energy charges at 1000 paise / unit

### H.T. Categories:

#### Time of Day Tariff (ToD)

The Commission decides to continue the mandatory Time of Day Tariff for HT2 (a), HT-2(b) and HT2(c) consumers with a contract demand of 500 KVA and above. Further, the optional ToD will continue as existing for HT2 (a), HT-2(b) and HT2 (c) consumers with contract demand of less than 500 KVA. The details of ToD tariff are indicated under the respective tariff category.

**8. HT1- Water Supply & Sewerage****BESCOM's Proposal:**

The existing and proposed tariff are as given below:

**The Existing and the proposed tariff – HT-1 Water Supply and Sewerage Installations**

Sl. No.	Details	Existing tariff as per 2016Tariff Order	Proposed Tariffs by BESCOM dated 30.11.2016	As per revised proposal by BESCOM dated 16.02.2017
1	Demand charges	Rs.190 / kVA of billing demand / month	Rs.190 / kVA for billing demand / month	Rs.250 / kVA for billing demand / month
2	Energy charges	450 paise per unit	598 paise per unit	547 paise per unit

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

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

**Proposed ToD Tariff to HT-1 category:**

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

**Commission's decision:**

As discussed earlier in this chapter, the Commission approves the tariff for HT 1 Water Supply & Sewerage category as below:

Details	Approved Tariff for HT 1
Demand charges	Rs.200 / kVA of billing demand / month
Energy charges	485 paise/ unit



As discussed earlier in this chapter, the approved ToD tariff to HT-1 tariff to Water Supply & Sewerage installations at the option of the consumer is as follows:

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

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

##### BESCOM's Proposal:

The existing and proposed tariff are as given below:

##### Existing & proposed tariff – HT – 2 (a) (i) – HT Industries Applicable to Bruhat Bangalore Mahanagara Palike (BBMP)&Municipal Corporation area

Details	Existing tariff as per Tariff Order 2016	Proposed Tariff by BESCOM dated 30.11.2016	As per revised proposal by BESCOM dated 16.02.2017
Demand charges	Rs. 190 / kVA of billing demand / month	Rs. 190 / kVA of billing demand / month	Rs. 250 / kVA of billing demand / month
Energy charges (i) For the first one lakh units	625paise per unit	773paise per unit	708 paise per unit
(ii) For the balance units	675paise per unit	823paise per unit	758 paise per unit

##### Existing & proposed tariff – HT – 2 (a) (ii) - HT Industries Applicable to areas other than those covered under HT-2(a)(i)

Details	Existing tariff as per Tariff Order 2016	Tariff Proposed by BESCOM dated 30.11.2016	As per revised proposal by BESCOM dated 16.02.2017
Demand charges	Rs. 180 / kVA of billing demand / month	Rs. 180 / kVA of billing demand / month	Rs. 250 / kVA of billing demand / month
Energy charges (iii) For the first one lakh units	620 paise per unit	768paise per unit	673 paise per unit
(iv) For the balance units	660paise per unit	808paise per unit	713 paise per unit

**Railway traction and Effluent Plants {both Under HT2 (a)(i) & HT2a(ii)}**

Details	Existing tariff as per Tariff order 2016	Tariff Proposed by BESCOM dated 30.11.2016	As per revised proposal by BESCOM dated 16.02.2017
Demand charges	Rs. 190 / kVA at billing demand / month	Rs. 190 / kVA of billing demand / month	Rs. 250 / kVA of billing demand / month
Energy charges	590paise per unit for all the units	738 paise per unit for all the units	668 paise per unit for all the units

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

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

**Proposed ToD Tariff for HT-2(a)**

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

**Tariff for Metro Rail Corporation**

Details	Existing tariff as per Tariff Order 2016	Tariff Proposed by BESCOM dated 30.11.2016	As per revised proposal by BESCOM dated 16.02.2017
Demand charges	Rs. 190 / kVA of billing demand / month	Rs. 190 / kVA of billing demand / month	Rs. 250 / kVA of billing demand / month
Energy charges	570paise per unit for all the units	718paise per unit for all the units	648 paise per unit for all the units for all the units.

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

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

**i) Approved Tariff for HT2(a)(i)****Applicable to areas under BBMP and Municipal Corporations**

Details	Tariff approved by the Commission
Demand charges	Rs.210 / kVA of billing demand / month
Energy charges	
For the first one lakh units	665 paise/ unit
For the balance units	695 paise/ unit

**ii) Approved Tariff for HT – 2 (a) (ii)****Applicable to areas other than those covered under HT-2(a) (i)**

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

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

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

**iii) Railway Traction & Effluent Treatment Plants under both HT2a(i) & HT2 a(ii)**

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

**iv) Approved Tariff for Metro Rail Corporation**

Details	Tariff Approved by the Commission
Demand Charges	Rs.210 per KVA of the billing demand / month
Energy Charges for entire consumption	600 paise per unit

**10. HT-2 (b) HT Commercial****BESCOM's Proposal:**

The existing and proposed tariff are as given below:

**Existing and proposed tariff HT – 2 (b) (i) HT Commercial  
Applicable to BBMP& Municipal Corporation Area**

Details	Existing tariff as per Tariff Order 2016	Tariff Proposed by BESCOM dated 30.11.2016	As per revised proposal by BESCOM dated 16.02.2017
Demand charges	Rs.210 / kVA of billing demand / month	Rs.210 / kVA of billing demand / month	Rs.250 / kVA of billing demand / month
Energy charges			
(i) For the first two lakh units	805paise per unit	953paise per unit	888 paise per unit
(ii)For the balance units	835paise per unit	983paise per unit	918 paise per unit

**Existing and proposed tariff HT – 2 (b) (ii) HT Commercial  
Applicable to areas other than those covered under HT-2(b) (i)**

Details	Existing tariff as per Tariff Order 2016	Tariff Proposed by BESCOM dated 30.11.2016	As per revised proposal by BESCOM dated 16.02.2017
Demand charges	Rs.200 / kVA of billing demand / month	Rs.200 / kVA of billing demand / month	Rs.250 / kVA of billing demand / month
Energy charges			
(i) For the first two lakh units	785paise per unit	933paise per unit	872 paise per unit
(ii)For the balance units	815paise per unit	963paise per unit	902 paise per unit

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

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

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

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

**Commission's Decision**

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

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

**Approved tariff for HT – 2 (b) (i)  
Applicable to areas under BBMP& Municipal Corporations**

Details	Tariff approved by the Commission
Demand charges	Rs.230 / kVA of billing demand / month
Energy charges	
(i) For the first two lakh units	845 paise per unit
(ii) For the balance units	855 paise per unit

**Approved tariff for HT – 2 (b) (ii) - HT Commercial  
Applicable to all areas other than those covered under HT-2(b) (i) above**

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

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

**Approved ToD Tariff for HT-2(b)(i) & (ii)**

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

**11. HT – 2 (c) – Applicable to Hospitals and Educational Institutions:**

The existing and proposed tariff are given below:

**Existing and proposed tariff for HT – 2 (c) (i)**

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

Details	Existing tariff as per Tariff Order 2016	Tariff Proposed by BESCOM dated 30.11.2016	As per revised proposal by BESCOM dated 16.02.2017
Demand charges	Rs.180 / kVA of billing demand / month	Rs.180 / kVA of billing demand / month	Rs.250 / kVA of billing demand / month
Energy charges			
(i) For the first one lakh units	600 paise per unit	748 paise per unit	703 paise per unit
(ii) For the balance units	650 paise per unit	798 paise per unit	753 paise per unit

**Existing and proposed tariff for HT – 2 (c) (ii) –**

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

Details	Existing tariff as per Tariff Order 2016	Tariff Proposed by BESCOM dated 30.11.2016	As per revised proposal by BESCOM dated 16.02.2017
Demand charges	Rs. 180 / kVA of billing demand / month	Rs. 180 / kVA of billing demand / month	Rs. 250 / kVA of billing demand / month
Energy charges			
(i) For the first one lakh units	700 paise per unit	848paise per unit	753 paise per unit
(ii) For the balance units	750 paise per unit	898paise per unit	803 paise per unit

**Existing ToD Tariff for HT-2(c)(i) & (ii)**

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

**Proposed ToD Tariff for HT-2 HT-2(c)(i) & (ii)**

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

**Commission's Decision:**

The Commission approves the following tariff for HT2(c) consumers.

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

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

Details	Approved Tariff
Demand charges	Rs.200/ kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	640 paise per unit
(ii) For the balance units	680 paise per unit

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

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

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

As discussed earlier in this Chapter, the approved ToD for Tariff to HT-2(c) (i) & (ii)

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

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

The existing and proposed tariff are given below:

### Existing and proposed tariff for HT – 3 (a) –Lift Irrigation Schemes

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

Details	Existing charges as per Tariff Order 2016	Proposed charges by BESCOM
Energy charges/ Minimum charges	200 paise / unit Subject to an annual minimum of Rs.1120 per HP / annum	348 paise / unit Subject to an annual minimum of Rs. 1120 per HP / annum

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

Details	Existing Tariff as per Tariff Order 2016	Proposed by BESCOM
Fixed charges	Rs. 40 / HP / Month of sanctioned load	Rs. 40 / HP / Month of sanctioned load
Energy charges	200paise / unit	348paise / unit

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

Details	Existing Tariff as per Tariff Order 2016	Proposed by BESCOM
Fixed charges	Rs.20 / HP / Month of sanctioned load	Rs.20 / HP / Month of sanctioned load
Energy charges	200paise / unit	348paise / unit



**Commission's Decision:**

The Commission approves the following tariff for HT3(a) consumers:

**Approved tariff for HT 3 (a) (i)**

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

Energy charges / Minimum charges	225 paise/ unit subject to an annual minimum of Rs. 1240 per HP / annum
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**Approved tariff for HT 3 (a) (ii)**

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

Fixed charges	Rs.50 / HP / Month of sanctioned load
Energy charges	225 paise / unit

**Approved tariff for HT 3 (a) (iii)**

**Applicable to Private LI Schemes and Lift Irrigation Societies other than  
those covered under HT 3 (a) (ii)**

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

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

**BESCOM's Proposal:**

The existing and the proposed tariff are given below:

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

Details	Existing Tariff Order 2016	Proposed tariff by BESCOM
Energy charges / minimum charges	400 paise / unit subject to an annual minimum of Rs.1120 per HP of sanctioned load	548 paise / unit subject to an annual minimum of Rs.1120 per HP of sanctioned load

**Commission's Decision**

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

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

Details	Approved Tariff
Energy charges / minimum charges	425 paise / unit subject to an annual minimum of Rs.1240 per HP of sanctioned load

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

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

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

Details	Existing Tariff Order 2016	Tariff Proposed by BESCOM dated 30.11.2016	As per revised proposal by BESCOM dated 16.02.2017
Demand charges	Rs.110 / kVA of billing demand	Rs.110 / kVA of billing demand	Rs.250 / kVA of billing demand
Energy charges	585 paise per unit	733 paise/ unit	648 paise/ unit

**Commission's Decision**

As discussed earlier in this chapter, the Commission approves the tariff for this category as indicated below:

**Approved tariff****HT – 4 Residential Apartments/ Colonies Applicable to all areas**

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

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

The existing and the proposed tariffs are given below:

**HT – 5 – Temporary supply**

<b>67 HP and above:</b>	<b>Existing</b>	<b>Proposed</b>
Fixed charges / Demand Charges	Rs.220/HP/month for the entire sanction load / contract demand	Rs.220/HP/month for the entire sanction load / contract demand
Energy Charge	950 paise / unit (weekly minimum of Rs.170/- per KW is not applicable)	1098 paise / unit (weekly minimum of Rs.170/- per KW is not applicable)

**BESCOM's Proposal:**

The existing and the proposed tariffs are given below:

**HT – 5(a) – Temporary power supply to Bangalore****International Exhibition Centre**

<b>67 HP and above:</b>	<b>Existing</b>	<b>Proposed</b>
Fixed charges / Demand Charges	<b>Not Applicable</b>	<b>Not Applicable</b>
Energy Charge	1050 paise / unit	1198 paise / unit

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

- (i) As approved in the Commission's Tariff Order dated 6<sup>th</sup> May, 2013, this Tariff is applicable to 67 HP and above hoardings and advertisement boards and construction power for industries excluding those category of consumers covered under HT2(b) Tariff schedule availing power supply for construction power for irrigation and power projects and also applicable to power supply availed on temporary basis with the contract demand of 67 HP and above of all categories.

**Approved Tariff for HT – 5 – Temporary supply**

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

**TARIFF SCHEDULE HT-5 (a)**

Applicable to power supply availed on temporary basis with the contract demand of 67 HP and above by **Bangalore International Exhibition Centre**.



**Approved Tariff for HT-5(a) – Temporary supply**

<b>67 HP and above:</b>	<b>Approved Tariff</b>
Fixed Charges / Demand Charges	<b>Not Applicable</b>
Energy Charges	1100 paise / unit

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

**6.7 Wheeling and Banking Charges:****6.7.1 BESCOM Proposal:**

BESCOM in its tariff filing have proposed the Wheeling charges depending upon the point of injection and point of drawal, as indicated below:

Injection Point 	HT	LT
Drawal Point 		
HT	19.30 [3.61%]	64.35 [9.06%]
LT	64.35 [9.06%]	45.04 [5.45%]

Note: Figures in brackets are applicable loss.

BESCOM has stated that the above wheeling charges be made applicable to all the Open Access/Wheeling transactions for using their network, except for energy wheeled from NCE sources to the consumers in the State.

**The approach of the Commission regarding wheeling & banking charges is discussed in the following paragraphs:**

The Commission has considered the approved ARR pertaining to distribution wires business and has proceeded determining the wheeling charges as detailed below:

### 6.7.2 Wheeling within BESCOM Area:

The allocation of the distribution network costs to HT and LT networks for determining wheeling charges is done in the ratio of 30:70, as was being done earlier. Based on the approved ARR for distribution business, the wheeling charges to each voltage level is worked out as under:

**TABLE- 6.2**  
**Wheeling Charges**

Distribution ARR-Rs. Crs	1482.95
Sales-MU	26109.16
Wheeling charges- paise/unit	56.80
	<b>Paise/unit</b>
HT-network	17.04
LT-network	39.76

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

Loss allocation	% loss
HT	2.58
LT	8.88

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

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 ↓			
<b>HT</b>		17(2.58%)	57(11.46%)
<b>LT</b>		57(11.46%)	40(8.88%)

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

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

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

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

- i. If only transmission network is used, transmission charges determined by the Commission shall be payable to the Transmission Licensee.
- ii. If the Transmission network and the ESCOMs' network are used, Transmission Charges shall be payable to the Transmission Licensee. Wheeling Charges shall be payable to the ESCOM where the power is drawn and it shall be shared equally among the ESCOMs whose networks are used.

#### **Illustration:**

If a transaction involves transmission network & BESCOM's network and 100 units is injected, then at the drawal point the consumer is entitled for 85.56 units, after accounting for Transmission loss of 3.37% & BESCOM's technical loss of 11.46%.

The Transmission charge in cash as determined in the Transmission Tariff Order shall be payable to KPTCL & Wheeling Charge of 57 paise per unit shall be payable to BESCOM. In case more than one ESCOM is involved, the above 57 paise shall be shared by all the ESCOMs involved.

- iii. If ESCOMs' network only is used, the Wheeling Charges is payable to the ESCOM where the power is drawn and it shall be shared equally among the ESCOMs whose networks are used.

**Illustration:**

If a transaction involves injection to MESCOM's network & drawl at BESCOM's network, and 100 units is injected, then at the drawl point the consumer is entitled for 88.54 units, after accounting BESCOM's technical loss of 11.46%.

The Wheeling charge of 57 paise per unit payable to BESCOM shall be equally shared between MESCOM & BESCOM.

**6.7.4 CHARGES FOR WHEELING OF ENERGY BY RE SOURCES (NON-REC ROUTE) TO CONSUMERS IN THE STATE**

The separate Orders issued by the Commission from time to time in the matter of wheeling and banking charges for RE sources (non-rec route) wheeling energy to consumers in the State shall be applicable.

**6.7.5 CHARGES FOR WHEELING ENERGY BY RE SOURCES FROM THE STATE TO A CONSUMER/OTHERS OUTSIDE THE STATE AND FOR THOSE OPTING FOR RENEWABLE ENERGY CERTIFICATE [REC]**

In case the renewable energy is wheeled from the State to a consumer or others outside the State, the normal wheeling charges as determined in para 6.7.2 and 6.7.3 of this Order shall be applicable. For Captive RE generators including solar power projects opting for RECs, the wheeling and banking charges as specified in the Orders issued by the Commission from time to time shall be applicable.

## 6.8 BANKING CHARGES AND ADDITIONAL SURCHARGE

BESCOM in its tariff filing had requested the following:

- a. To allow the banking facility for a period of 3-months from the date of generation.
- b. Not to allow withdrawal of banked power during peak and ToD hours.
- c. If banked energy is not utilized within the period of three months from the date of power banked, it shall automatically lapse and no charges shall be paid.
- d. To levy additional surcharge on OA consumers who draw power from utility even after opting for OA.

The Commission in its preliminary observations had directed BESCOM to justify the above requests in terms of detailed financial impact analysis.

BESCOM in its replies to the preliminary observations had furnished month-wise details of energy consumed out of the total wheeled energy for only one entity namely RAMCO Cements Ltd., and has stated that during the crucial period of second half of the year, RE generators draw banked energy and that there is a difference in the cost of purchase during second half and first half of the year. The Commission notes that BESCOM has not carried out any financial impact analysis. Therefore, the Commission in its further observations had requested BESCOM to analyse the financial impact. BESCOMS in its reply to the rejoinder has stated that it has worked out the financial impact for 11 numbers of IPP's and HT consumers for the period of FY15, FY16 and FY17 and has submitted a statement. As per the statement BESCOM has worked out loss of Rs.12 Crores in FY15, Rs. 9.8 Crores in FY16 and Rs. 4.85 Crores in FY17 under the assumption that it would have sold 1.94 million units in FY15, 1.84 million units in FY16 and 1.13 million units in FY17.

The Commission notes that all the ESCOMs except CESC, have filed separate petitions seeking modifications to the existing banking facility. Further, all the



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

## 6.9 CROSS SUBSIDY SURCHARGE[CSS]:

BESCOM in its tariff petition has worked out the Cross Subsidy surcharge as per the Tariff Policy-2016 and has worked out the surcharges as indicated below:

Paise/unit

Voltage Level	HT-1	HT-2a	HT-2b	HT-2C	HT-3b	HT-4	HT-5
66KV & above	57.62	177.09	211.89	183.88	169.60	153.30	240.49
HT level- 11KV/33KV	15.31	177.09	211.89	183.88	169.60	153.30	240.49

**The determination of cross subsidy surcharge by the Commission is discussed in the following paragraphs:**

The Commission in its MYT Regulations has specified the methodology for calculating the CSS as per Tariff Policy 2006. Meanwhile, the Central Government has issued the new Tariff Policy 2016, wherein a revised methodology has been specified for determining CSS. So far, the Commission, for determining the CSS had adopted the methodology specified in the earlier Tariff Policy of 2006. However, considering that such Tariff Policy has been replaced now by the Tariff Policy-2016 and that a few ESCOMs including BESCOM have sought determination of CSS under such new Tariff Policy, the Commission decides to adopt the methodology specified in the latest Tariff Policy 2016 for determination of CSS in this Tariff Order for FY18. Action shall be taken to amend the relevant Regulations for adoption of the revised

methodology for determination of CSS. Based on this methodology, the category-wise cross subsidy will be as indicated below:

**Paise/unit**

Particulars	Category Tariff	Average Cost of supply @ 66 kV and above level*	Average Cost of supply at HT level**	Cross subsidy surcharge paise/unit @ 66 kV & above level as per formula	Cross subsidy surcharge paise/unit @ HT level as per formula	20% of tariff payable by relevant category
1	2	3	4	8	9	10
HT-1 Water Supply	536.76	410.53	445.45	126.23	91.32	107.35
HT-2a(i) Industries	794.49	410.53	445.45	383.96	349.04	158.90
HT-2a(ii) Industries	762.23	410.53	445.45	351.70	316.79	152.45
HT-2b(i) Commercial	955.17	410.53	445.45	544.64	509.73	191.03
HT-2b(ii) Commercial	962.09	410.53	445.45	551.56	516.64	192.42
HT-2 (C)(i)	735.84	410.53	445.45	325.31	290.40	147.17
HT-2 (C)(ii)	819.70	410.53	445.45	409.17	374.25	163.94
HT3 (a)(i) Lift Irrigation	225.48	410.53	445.45	-185.05	-219.97	45.10
HT3 (a)(ii) Lift Irrigation	318.06	410.53	445.45	-92.47	-127.38	63.61
HT3 (a)(iii) Lift Irrigation	262.67	410.53	445.45	-147.86	-182.77	52.53
HT3 (b) Irrigation & Agricultural Farms	426.55	410.53	445.45	16.02	-18.90	85.31
HT-4 Residential Apartments	662.71	410.53	445.45	252.18	217.27	132.54
HT5 Temporary	1642.58	410.53	445.45	1232.05	1197.14	328.52

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

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

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

As per the Tariff Policy 2016, while limiting the CSS so as not to exceed 20% of the tariff applicable to relevant category, the CSS (after rounding off to nearest paise) is determined as under:

**Cross Subsidy Surcharge for FY18**

Particulars	Paise/unit	
	66 kV & above	HT level-11 kV/33kV
HT-1 Water Supply	107	91
HT-2a(i) Industries	159	159
HT-2a(ii) Industries	152	152
HT-2b(i) Commercial	191	191
HT-2b(ii) Commercial	192	192
HT-2 (C) (i)	147	147
HT-2 (C) (ii)	164	164
HT3 (a) (i) Lift Irrigation	0	0
HT3 (a) (ii) Lift Irrigation	0	0
HT3 (a) (iii) Lift Irrigation	0	0
HT3 (b) Irrigation & Agricultural Farms	16	0
HT-4 Residential Apartments	133	133
HT5 Temporary	329	329

**Note: wherever CSS is negative, it is made zero**

The cross subsidy surcharge determined in this order shall be applicable to all open access/wheeling transactions in the area coming under BESCOM. However, the above CSS shall not be applicable to captive generating plant for carrying electricity to the destination of its own use and for those renewable energy generators who have been exempted from CSS by the specific Orders of the Commission.

The Commission directs the Licensees to account the transactions under open access separately.

**6.10 Other Issues:****6.10.1 Tariff for Green Power:**

In order to encourage generation and use of green power in the State, the Commission decides to continue the existing Green Tariff of 50 paise per unit as the additional tariff over and above the normal tariff to be paid by HT-consumers, who opt for supply of green power from out of the renewable energy procured by distribution utilities over and above their Renewable Purchase Obligation (RPO).

## 6.11 Other tariff related issues:

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

While some of the ESCOMs have requested to discontinue the Solar rebate to consumers, the consumers have requested to increase the Solar Rebate. Since the use of Solar Water Heaters is advantageous to both the ESCOMs and the consumers, the Commission has decided to retain the existing rebate of 50 paise per unit subject to a maximum of Rs.50 per installation per month for use of solar water heaters.

### ii) Prompt payment incentive:

The Commission had approved a prompt payment incentive at the rate of 0.25% of the bills amount (i) in all cases of payment through ECS; and (ii) in the case of monthly bill exceeding Rs.1,00,000/- (Rs.one lakh), where payment is made 10 days in advance of due date and (iii) advance payment of exceeding Rs.1000 made by the consumers towards monthly bills. The Commission decides to continue the same.

### iii) Relief to Sick Industries:

The Government of Karnataka has extended certain reliefs for revival/rehabilitation of sick industries under the New Industrial Policy 2001-06 vide G.O. No. CI 167 SPI 2001, dated 30.06.2001. Further, the Government of Karnataka has issued G.O No.CI2 BIF 2010, dated 21.10.2010. The Commission, in its Tariff Order 2002, had accorded approval for implementation of reliefs to the sick industries as per the Government policy and the same was continued in the subsequent Tariff Orders. However, in view of issue of the G.O No.CI2 BIF 2010, dated 21.10.2010, the Commission has accorded approval to the ESCOMs for implementation of the reliefs extended to sick industrial units for their revival / rehabilitation on the basis of the orders issued by the Commissioner for Industrial Development and Director of Industries & Commerce, Government of Karnataka.

**iv) Power Factor:**

The Commission in its previous order had retained the PF threshold limit and surcharge, both for LT and HT installations at the levels existing as in the Tariff Order 2005. The Commission has decided to continue the same in the present order as indicated below:

LT Category (covered under LT-3, LT-4, LT-5 & LT-6 where motive power is involved): 0.85

HT Category: 0.90

**v) Rounding off of KW / HP:**

In its Tariff Order 2005, the Commission had approved rounding off of fractions of KW / HP to the nearest quarter KW / HP for the purpose of billing and the minimum billing being for 1 KW / 1HP in respect of all the categories of LT installations including IP sets. This shall continue to be followed. In the case of street light installations, fractions of KW shall be rounded off to the nearest quarter KW for the purpose of billing and the minimum billing shall be for a quarter KW.

**vi) Interest on delayed payment of bills by consumers:**

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

**vii) Security Deposit (3 MMD/ 2 MMD):**

The Commission had issued the K.E.R.C. (Security Deposit) Regulations, 2007 on 01.10.2007 and the same has been notified in the Official Gazette on 11.10.2007. The payment of security deposit shall be regulated accordingly, pending orders of the Hon'ble High Court in WP No.18215/2007.

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

The Commission, in its previous Order had approved revenue payment in cash/cheque/DD of amounts up to and inclusive of Rs.10,000/- and payment of amounts above Rs.10,000 to be made only through cheque. The consumers can also make payment of power bills through Electronic Clearing System(ECS)/ Credit card/ online E-payment up to the limit prescribed by the RBI, RTGS/NEFT/on line E-Payment / Digital mode of payments as per the guidelines issued by the RBI wherever such facility is provided by the Licensee in respect of bill payments, up to the limit prescribed by the RBI.

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

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

The Hon'ble Appellate Tribunal for Electricity (ATE), in its order dated 8<sup>th</sup> October, 2014, in Appeal No.42 of 2014, has directed the Commission to clearly indicate the variation of anticipated category-wise average revenue realization with respect to overall average cost of supply in order to implement the requirement of the Tariff Policy that tariffs are within  $\pm 20\%$  of the average cost of supply, in the tariff orders being passed in the future. It has further directed the Commission to also indicate category-wise cross subsidy with reference to voltage-wise cost of supply so as to show the cross subsidies transparently.

In the light of the above directions, the variations of the anticipated category-wise average realization with respect to the overall average cost of supply and also with respect to the voltage-wise cost of supply of BESCOM and the cross subsidy thereon, is Indicated in **ANNEXURE- III** of this Order. It is the Commission's endeavour to reduce the cross subsidies gradually as per the Tariff policy.

#### **6.13 Effect of Revised Tariff:**

As per the KERC (Tariff) Regulations 2000, read with the MYT Regulations 2006, the ESCOMs have to file their applications for ERC/Tariff before 120 days of the close of each financial year in the control period. The Commission observes that the ESCOMs have filed their applications for revision of tariff on 30<sup>th</sup> November, 2016. As the tariff revision is effective from 1<sup>st</sup> April, 2017 onwards, the ESCOMs would be recovering revenue as per the revised tariff for eleven months of the Financial Year (Except in case where the billing cycle is lesser than a month).

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

#### **6.14 Summary of the Tariff Order:**

- ❖ The Commission has approved an ARR of Rs.16914.19 Crores for FY18, which includes the deficit for FY16 of Rs.692.42 Crores with a total gap in revenue of Rs.1254.09 Crores as against BESCOM's proposed ARR of Rs.18915.97 Crores.
- ❖ The Commission has allowed recovery of entire gap in revenue with additional revenue of Rs.1254.09 Crores on Tariff Revision as against the additional revenue of Rs.3902.87 Crores proposed by BESCOM for FY18.
- ❖ BESCOM in its filing dated 30.11.2016 had proposed an increase of 148 paise per unit for all categories of consumers resulting in average increase in retail supply tariff by 26%. The Commission has approved an average increase of 48 paise per unit. The average increase in retail supply tariff of all the consumers for FY18 is 8%.
- ❖ BESCOM in its subsequent petition dated 16.02.2017, has proposed to increase tariff to LT2-Domestic consumers and increase in demand charges and reduction of energy charges for HT categories.
- ❖ The Commission has allowed for recovery of additional revenue partly by increase in fixed charges ranging from Rs.5 per KW/HP/KVA to Rs.20 per KW/HP/KVA.

- ❖ The Commission has allowed for recovery of additional revenue partly by increase in the energy charges in the range of 15 paise per unit to 50 paise per unit.
- ❖ The increase in the energy charge for Domestic category up to 30 to 100 units is 25/30 paise per unit.
- ❖ The increase in the LT industries category is in the range of 15 paise per unit to 20 paise per unit and for other categories, the increase is in the range of 20 paise per unit to 50 paise per unit.
- ❖ In order to increase the sales under HT industry and HT commercial category, the increase in energy charges in the 2<sup>nd</sup> slab is 20 paise per unit as against the 40 paise per unit increase under 1<sup>st</sup> slab for consumption upto 1 lakh / 2 lakh unit per month.
- ❖ Time of the day tariff which was made mandatory in the previous Tariff Orders for installations under HT2 (a), HT2 (b) and HT2(c) with contract demand of 500KVA and above is continued in this Order.
- ❖ The Commission has introduced Time of Day billing for morning peak period from 06.00 hours to 10.00 hours in respect of LT/ HT consumers in addition to the prevailing ToD billing.
- ❖ A rebate of 50 paise per unit is allowed for effluent treatment plant installed within the industrial premises under HT-2(a) tariff schedule.
- ❖ Green tariff of additional 50 paise per unit over and above the normal tariff, which was introduced a few year ago for HT industries and HT commercial consumers at their option, to promote purchase of renewable energy from ESCOMs, is continued in this Order.
- ❖ As in the previous Orders, the Commission has continued to provide a separate fund for facilitating better Consumer Relations /Consumer Education Programmes.



- ❖ The Commission has introduced additional slab and rates under Domestic category.
- ❖ The Commission has decided to impose penalty upto Rs.one lakh per sub division on ESCOMs who fail to conduct Consumer Interaction Meetings at least once in three months and such penalty would be payable by the concerned officers of the ESCOMs.

#### 6.15 Commission's Order

1. In exercise of the powers conferred on the Commission under Sections 62, 64 and other provisions of the Electricity Act, 2003, the Commission hereby determines and notifies the retail supply tariff of BESCOM for FY18 as stated in Chapter-6 of this Order.
2. The tariff determined in this order shall be applicable to the electricity consumed from the first meter reading date falling on or after 1<sup>st</sup> April 2017.
3. Consequent to the issue of this Tariff Order, the petitions filed by BESCOM vide OP.No.87 of 2016, OP.No.88 of 2016 & OP No.89 of 2016 stand disposed of.
4. This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission at Bengaluru this day, the 11<sup>th</sup> April, 2017.

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

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

Sd/-  
(D.B. Manival Raju)  
Member