

## **TARIFF REVISION PROPOSAL**

**The tariff proposal for the year FY-20 is detailed in the foregoing paragraphs.**

### **Revenue Deficit for FY-20:**

HESCOM has arrived at the revised Net Annual Revenue Requirement of Rs. 9180.69 Crs for FY-20 as explained in previous para's. For the purpose of arriving at the revenue deficit for FY-20, HESCOM has considered the revenue at the tariff rates approved in Tariff Order-2018. The calculations of revenue projection for FY-20 with existing tariff and proposed tariff are shown in Format-D21.

### **Revenue Gap for FY-20:**

**Rs. in Crs.**

<b>Sl No</b>	<b>Particulars</b>	<b>Amount</b>
1	ARR for FY-20	<b>9,329.17</b>
2	Add deficit for FY-19	977.31
3	Net ARR for FY-20	<b>10,007.24</b>
4	ERC for FY-20 @ Current Tariff	8,027.16
5	Other income	299.23
6	<b>Gap for FY-19 (3-4)</b>	<b>1,980.09</b>

### **BRIDGING THE REVENUE GAP :**

**HESCOM proposes to bridge the Gap by Tariff revision for FY-20 as noted below and requests the Hon'ble Commission to consider the same.**

### **Hike requirement for all categories :**

- a. Total Gap - Rs. **1,980.09** Crs.
- b. Sales - Total sales of 11,887.78 (Mu)
- c. Hike required - Rs.1.67/unit on total sales of 11,887.78 Mu.

HESCOM is proposing here below for a uniform tariff increase of Rs.1.67 per unit across all categories, with this increase, HESCOM would realize additional revenue of about Rs. **1,153.53** Crs.

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

**LT-1 (B-I-KI)**

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
All units	680 Ps/unit	847 Ps/unit

**LT-2a (Domestic Category):**

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For 0 to 30 units	345 Ps/unit	512 Ps/unit
For 31to100 units	495 Ps /unit	662 Ps/unit
For 101 to 200 units	650 Ps/unit	817 Ps/unit
For above 200 units	755 Ps/unit	922 Ps/unit

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For 0 to 30 units	335 Ps/unit	502 Ps/unit
For 31to100 units	465 Ps /unit	632 Ps/unit
For 101 to 200 units	620 Ps/unit	787 Ps/unit
For above 200 units	705 Ps/unit	872 Ps/unit

**LT-2b (Private professional education institutions):**

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For 0 to 200 units	670 Ps/unit	837 Ps/unit
For above 200 units	795 Ps/unit	962 Ps/unit

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

Energy charges per unit per month.

<b>PARTICULARS</b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
For 0 to 200 units	615Ps/unit	782 Ps/unit
For above 200 units	740 Ps/unit	907 Ps/unit

**LT-3 (Commercial category)**:

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

Energy charges per unit per month.

<b>PARTICULARS</b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
For 0 to 50 units	775 Ps/unit	942 Ps/unit
For above 50 units	875 Ps/unit	1042 Ps/unit

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

Energy charges per unit per month.

<b>PARTICULARS</b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
For 0 to 50 units	725 Ps/unit	892 Ps/unit
For above 50 units	825 Ps/unit	992 Ps/unit

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

<b>PARTICULARS</b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
For all units	624 Ps/unit	791 Ps/unit

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	325 Ps/unit	492 Ps/unit

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

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	325 Ps/unit	492 Ps/unit

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	325 Ps/unit	492 Ps/unit

**LT-5 (a) (Industrial Category):**

Applicable to all the areas under municipal corporation.

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For 0 to 500 units	530 Ps/unit	697 Ps/unit
For 501 to 1000 units	625 Ps/unit	792 Ps/unit
For above 1000 units	655 Ps/unit	822 Ps/unit

**LT-5 (b) (Industrial Category):**

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For 0 to 500 units	520 Ps/unit	687 Ps/unit
For 501 to 1000 units	610 Ps/unit	777 Ps/unit
For above 1000 units	640 Ps/unit	807 Ps/unit

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	440 Ps/unit	607 Ps/unit

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	605 Ps/unit	772 Ps/unit

**LT-6 (LED Lighting):**

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	505 Ps/unit	672 Ps/unit

**LT-7 (a) :** Applicable to temporary power supply for all purposes.

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
Temporary power supply for all purposes.	Less than 67 HP. Energy charges at 1030 ps per unit subject to a weekly minimum of Rs. 200 per KW of the sanctioned load	Less than 67 HP. Energy charges at 1197 ps per unit subject to a weekly minimum of Rs.200 per KW of the sanctioned load

**LT-7 (b) :** Applicable to Hoardings AD Boards etc., on permanent connection basis

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
Power supply on permanent connection basis.	Less than 67 HP. Fixed charges per KW per month : Rs.75/- Energy charges :1030 ps per unit	Less than 67 HP. Fixed charges per KW per month : Rs.75/- Energy charges : 1197 ps per unit

**HT-1 (Water Supply Category):**

Energy charges per unit per month.

<b>PARTICULARS</b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
For all units consumed	500 Ps/ unit	667 Ps/unit

**HT-2a (Industrial Category):**

Energy charges per unit per month.

<b>PARTICULARS</b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
For first one lakh units	675 Ps/ unit	842 Ps/unit
For above one lakh units	700 Ps/unit	867 Ps/unit
<b>Railway traction &amp; ETP</b>		
<b>Energy Charges</b>	600 ps /unit for all the units	767 ps /unit for all the units

**HT-2a (Industrial Category):**

Energy charges per unit per month.

**Tariff applicable to Effluent Plants independently serviced outside the premises of any installations under HT2 a**

<b>PARTICULARS</b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
<b>Energy Charges</b>	640 Ps/ unit	807 Ps/unit

**HT-2b (Commercial Category):**

Energy charges per unit per month.

<b>PARTICULARS</b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
For first two lakh units	845 Ps/unit	1012 Ps/ unit
For above two lakh units	855 Ps/unit	1022 Ps/ unit

**HT-2 c (i) (Hospitals):**

Energy charges per unit per month.

<b>PARTICULARS</b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
For first one lakh units	660 Ps/unit	827 Ps/ unit
For above one lakh units	700 Ps/unit	867 Ps/ unit

**HT-2 c (ii) (Hospitals):**

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	760 Ps/unit	927 Ps/ unit
For above one lakh units	800 Ps/unit	967 Ps/ unit

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

Energy charges per unit.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	250 Ps/unit subject to an annual minimum of Rs.1360 per HP.	417 Ps/ unit

**HT-3a (ii):** Applicable to Private LI schemes and Lift Irrigation societies: Connected to Urban/Express feeders:  
Energy charges per unit.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	250 Ps/unit	417 Ps/ unit

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

Energy charges per unit.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	250 Ps/unit	417 Ps/ unit

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

Energy charges per unit.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	450 Ps/unit subject to an annual minimum of Rs.1360 per HP.	617 Ps/ unit

**HT-4 (Residential Apartments):** Applicable to areas under City Municipal Corporations:  
Energy charges per unit per month.

<b>PARTICULARS</b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
For all units consumed	640 Ps/unit	807 Ps/ unit

**HT-5 Temporary Supply**

<b><u>67 HP and above</u></b>	<b>EXISTING TARIFF</b>	<b>PROPOSED TARIFF</b>
Energy Charge	1030 paise/unit	1197 Ps/ unit

**Note:**

1. Temporary power supply with or without extension of distribution main shall be arranged through a pre-paid energy meter duly observing the provision of clause 12 of the condition's of supply of Electricity of the Distribution Licensees in the State of Karnataka
2. This Tariff is also applicable to touring cinemas having license for duration less than one year.
3. All the conditions regarding temporary power supply as stipulated in clause 12 the condition's of supply Electricity f the Distribution Licensees in the State of Karnataka shall be complied with before service.

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



**Expected Revenue from charges at Existing Tariff and at Proposed Tariff FY-20**

Rs. In Crs.

Sl. No.	Tariff Category	Category	FY-20	FY-20
			Projected Revenue at existing tariff	At proposed Tariff Revenue
1	LT-1	BJ/KJ: =<40 units	200.83	250.15
		BJ/KJ: >40 units	22.73	28.89
2	LT-2 (a)	Domestic / AEH	1048.87	1309.69
3	LT-2 (b)		20.37	24.31
4	LT-3	Commercial	488.03	573.91
5	LT-4 (a)	IP sets - Less than 10 HP - General	4130.55	5236.00
6	LT-4 (b)	Irrigation Pump sets - More than 10 HP	7.3	10.13
7	LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	0.48	0.66
8	LT-5	Industries	298	353.23
9	LT-6	Water Supply	166.58	222.57
10	LT-6	Street Lights	106.91	134.73
11	LT-7	Temporary Power Supply	33.2	38.73
	<b>LT Total</b>		<b>6523.87</b>	<b>8183.00</b>
12	HT-1	Water Supply	146.22	190.17
13	HT-2 (a)	Industries	848.97	1027.57
14	HT-2 (b)	Commercial	126.74	148.51
15	HT-2 (c)	Hospitals	86.55	105.22
16	HT-3(a)	Irrigation & LI Societies	114.11	170.61
17	HT-3 (b)	Irrigation & LI Societies	0.03	0.04
18	HT-4	Residential Apartments	10.52	13.01
19	HT-5	Temporary Power Supply	47.1	51.24
	<b>HT Total</b>		<b>1380.24</b>	<b>1706.37</b>
	<b>Total</b>		<b>7904.11</b>	<b>9889.37</b>
<b>Other Operating revenues</b>				
20	Reconnection fee (D&R) (61.901, 61.902)		1.23	1.23
21	Service Connection (Supervision Charges) (61.904)		21.42	21.42
22	Delayed payment charges from consumers (61.905)		104.09	104.09
23	Other Receipts from consumers(61.906, 61.600)		5.81	5.81
24	Registration fee towards SRTPV (61.907)		0.39	0.39
25	Facilitation fee towards SRTPV (61.908)		0.07	0.07
26	Supervision Charges for Self Execution works (61.909)		3.28	3.28
27	Maintainance charges for the layouts created by the Developers (61.910)		0.16	0.16
	<b>Gross Revenue from Sale of Power (20 to 27)</b>		<b>133.01</b>	<b>133.01</b>
	<b>LESS: Rebate and Incentives</b>			
28	Solar Rebate allowed to consumers (78.822)		3.21	3.21
29	Incentives for prompt payment (78.823)		0.14	0.14
30	Time of day (TOD) Tariff Incentive(78.826)		0.19	0.19
	<b>Total (28 to 30)</b>		<b>3.55</b>	<b>3.55</b>
31	Provision for withdrawal of Revenue Demand (83.830 to 83.832)		2.87	2.87
	<b>Total</b>		<b>9.96</b>	<b>9.96</b>
	<b>GRAND TOTAL</b>		<b>8027.16</b>	<b>10012.42</b>

**Other tariff related issues:**

**1) Proposal for Wheeling charges within HESCOM area:**

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

**Wheeling Charges**

**Wheeling charges- paise /unit**

Particulars	FY-20
Distribution ARR Rs Crs	<b>1047.77</b>
Sales – Mu	11887.78
<b>Wheeling charges- paise /unit</b>	88.138
	<b>Paise /unit</b>
HT-net work. 30%	26.44
LT- net work. 70%	61.70

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

Loss allocation	% loss
HT	7.00
LT	8.00

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	71.29(7.00%)	101.85(15.50%)
	LT	101.85 (15.50%)	30.55 (7.00%)

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

**2) Fuel Cost adjustment charge :**

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

### 3) Cross subsidy Charges:

HESCOM proposes the cross subsidy charges for FY-20 as noted below.

Particulars	HT-1 Water supply	HT-2(a) Industries	HT-2b Commercial	HT- 2©	HT-4 Residential Apartments	HT-5 Temporary
Average Realisation rate paise / unit	555.54	793.86	972.39	773.91	707.21	1897.53
Cost of supply at 5% margin @ 66 kv and above level	506.35	506.35	506.35	506.35	506.35	506.35
Cross subsidy surcharge paise / unit @ 66 kv & above level	49.18	287.51	466.03	267.55	200.86	1391.18
Cost of supply at 5% margin @HT level	576.99	576.99	576.99	576.99	576.99	576.99
Cross subsidy surcharge paise / unit @HT level	-21.46	216.87	395.39	196.91	130.22	1320.54
80% of Cross subsidy at HT level	-17.17	173.49	316.31	157.53	104.17	1056.43
80% of Cross subsidy at 66KV level	39.35	230.01	372.83	214.04	160.69	1112.94

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

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