

TARIFF REVISION PROPOSAL

The tariff proposal for the year FY-18 is detailed in the foregoing paragraphs.

Revenue Deficit for FY-18:

HESCOM has arrived at the revised Net Annual Revenue Requirement of Rs. **7629.63** Crs for FY-18 as explained in previous para's. For the purpose of arriving at the revenue deficit for FY-18, HESCOM has considered the revenue at the tariff rates approved in Tariff Order-2016. The calculations of revenue projection for FY-18 are shown in Format-D21.

Revenue Gap for FY-18

Rs. in Crs.

Sl No	Particulars	Amount
1	ARR for FY-18	7386.96
2	Add Regulatory Asset for FY-18	0.0
4	Add deficit for FY-16	372.73
5	Add distribution loss incentive	24.31
6	Net ARR for FY-18	7629.63
7	ERC for FY-17 @ Current Tariff	6092.87
8	Gap for FY-17	1536.76

BRIDGING THE REVENUE GAP :

HESCOM proposes to bridge the Gap by Tariff revision for FY-18 as noted below and requests the Hon'ble Commission to consider the same.

Hike requirement for all categories :

- a. Total Gap - Rs. 1536.76 Crs.
- b. Sales - Total sales of 10349.12 (Mu)
- c. Hike required - Rs.1.48/unit on total sales of 10349.12 Mu.

HESCOM is proposing here below for a uniform tariff increase of Ps. 148 per unit across all categories, With this increase, HESCOM would realize additional revenue of about Rs.1536.76 Cr.

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

LT-1 (BJ-KI)

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
All units	598Ps/unit	746Ps/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 first 30 units	300 Ps/unit	448Ps/unit
For next 100 units	440 Ps /unit	588Ps/unit
For next 200 units	590 Ps/unit	738Ps/unit
For above 200 units	690 Ps/unit	838Ps/unit

Applicable to Areas under Village Panchayats:

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 30 units	290 Ps/unit	438Ps/unit
For next 100 units	410 Ps /unit	558Ps/unit
For next 200 units	560 Ps/unit	708Ps/unit
For above 200 units	640 Ps/unit	788Ps/unit

LT-2b (Private professional education institutions):

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 first 200 units	625 Ps/unit	773Ps/unit
For above 200 units	745 Ps/unit	893Ps/unit

Applicable to Areas under Village Panchayats:

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 200 units	570 Ps/unit	718Ps/unit
For above 200 units	690 Ps/unit	838Ps/unit

LT-3 (Commercial category):

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 first 50 units	715 Ps/unit	863Ps/unit
For above 50 units	815 Ps/unit	963Ps/unit

Applicable to Areas under Village Panchayats:

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 50 units	665 Ps/unit	813Ps/unit
For above 50 units	765 Ps/unit	913Ps/unit

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

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units	556 Ps/unit	704Ps/unit

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	280 Ps/unit	428Ps/unit

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

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	280 Ps/unit	428Ps/unit

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	280 Ps/unit	428Ps/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 first 500 units	495 Ps/unit	643Ps/unit
For next 500 units	585 Ps/unit	733Ps/unit
For above 1000 units	615 Ps/unit	763Ps/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 first 500 units	485 Ps/unit	633Ps/unit
For next 500 units	570 Ps/unit	718Ps/unit

For above 1000 units	600 Ps/unit	748Ps/unit
----------------------	-------------	------------

LT-6 (Water Supply Category):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	390 Ps/unit	538Ps/unit

LT-6 (Public Lighting Category):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	550 Ps/unit	698Ps/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 950 ps per unit subject to a weekly minimum of Rs.160 per KW of the sanctioned load	Less than 67 HP. Energy charges at 1098 ps per unit subject to a weekly minimum of Rs.160 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	Less than 67 HP.	Less than 67 HP.

permanent connection basis.	Fixed charges per KW per month : Rs.40/- Energy charges :950 ps per unit	Fixed charges per KW per month : Rs.40/- Energy charges :1098 ps per unit
-----------------------------	---	--

HT-1 (Water Supply Category):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	450 Ps/ unit	598Ps/unit

HT-2a (Industrial Category):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	620 Ps/ unit	768Ps/unit
For above one lakh units	660 Ps/unit	808Ps/unit
Railway traction & ETP		
Energy Charges	590 ps /unit for all the units	738ps /unit for all the units

HT-2b (Commercial Category):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first two lakh units	785 Ps/unit	933Ps/ unit
For above two lakh units	815 Ps/unit	963Ps/ unit

HT-2 c (i) (Hospitals):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	600 Ps/unit	748Ps/ unit
For above one lakh units	650 Ps/unit	798Ps/ unit

HT-2 c (ii) (Hospitals):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	700 Ps/unit	848Ps/ unit
For above one lakh units	750 Ps/unit	898Ps/ 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	170 Ps/unit subject to an annual minimum of Rs.1120 per HP.	318 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	200 Ps/unit	348 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	200 Ps/unit	348 Ps/ unit

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

Energy charges per unit.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	400 Ps/unit subject to an annual minimum of Rs.1120 per HP.	548 Ps/ unit

HT-4 (Residential Apartments):

Applicable to areas under City Municipal Corporations:

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	585 Ps/unit	733 Ps/ unit

HT-5 Temporary Supply

<u>67 HP and above</u>	EXISTING TARIFF	PROPOSED TARIFF
Energy Charge	950 paise/unit (weekly minimum of Rs.160/- per KW is not applicable)	1098 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-18

Sl. No.	Tariff Category	Category Description	Revenue (Cr)	Revenue (Cr)
			Existing	Proposed
1	LT-1	BJ/KJ: =<18 units	53.30	66.49
		BJ/KJ: >18 units	30.11	44.90
2	LT-2 (a)	Domestic / AEH	715.39	952.03
3	LT-2 (b)	Private Educational Institutions	16.39	19.71
4	LT-3	Commercial	396.35	465.01
5	LT-4 (a)	IP sets - Less than 10 HP - General	3321.76	4205.96
6	LT-4 (b)	Irrigation Pump sets - More than 10 HP	5.32	7.54
7	LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	0.35	0.50
8	LT-5	Industries	217.82	266.30
9	LT-6	Water Supply	128.41	172.76
10	LT-6	Street Lights	87.05	109.23
11	LT-7	Temporary Power Supply	25.05	28.95
	LT Total		4997.3	6339.44
1	HT-1	Water Supply	107.27	138.92
2	HT-2 (a)	Industries	572.98	691.61
3	HT-2 (b)	Commercial	116.55	135.87
4	HT-2 (c)	Hospitals	61.14	74.25
5	HT-3(a)	Irrigation & LI Societies	34.45	41.18
6	HT-3 (b)	Irrigation & LI Societies	0.06	0.08
7	HT-4	Residential Apartments	9.56	9.56
8	HT-5	Temporary Power Supply	64.06	69.21
	HT Total		966.07	1160.68
	Total		5963.37	7500.12
I	Gr Total		5963.37	7500.12
II	Wheeling charges recovery		0.00	0.00
III	Reconnection Fee		2.50	2.50
IV	Public lighting maintenance charges		0.00	0
V	Service connection charges		19.00	19.00
VI	Delayed payment charges		108.60	108.60
VII	Other receipts		3.40	3.40
	Gross Revenue from Sale of Power (I to VII)		6096.87	7633.62
	LESS:		0.00	0.00
VIII	Withdrawal of Revenue Demand		0.00	0.00
IX	Prompt Payment Incentive/Solar Rebate		4.00	4.00
	Waival of interest from IP consumers as per GO		0.00	0.00
	GRAND TOTAL		6092.87	7629.62
	*Add Hukkeri Society PPC Payment		125.70	0
	*Other Income		28.67	0
	Total Income		6247.24	7629.62

*Accounted under other income

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	FY18
Distribution ARR Rs Crs	1522.75
Sales – Mu	10349.12
Wheeling charges- paise /unit	147.138
	Paise /unit
HT-net work. 30%	44.14
LT- net work. 70%	103

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

Loss allocation	% loss
HT	7.50
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		71.19(7.50%)	147.14(15.50%)	
LT		147.14 (15.50%)	75.95(7.50%)	

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 30th April 2012 had decided to introduce fuel cost adjustment charges and the Commission has notified the Regulations

on 22nd March, 2013. The Fuel Cost adjustment charges have come into effect from the billing quarter beginning from 1st July 2013. Subsequently, the Commission has notified an amendment to these Regulations on 3rd 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-18 as noted below.

Particulars	HT-1 Water Sup	HT-2(a) Indust	HT-2b Commerci al	HT-2©	HT-4 Resid Apartts	HT-5 Temp
Average Realisation rate paise / unit	649.64	905.10	1040.43	838.13	653.26	1988.79
Cost of supply at 5% margin @ 66 kv and above level	460.95	460.95	460.95	460.95	460.95	460.95
Cross subsidy surcharge paise / unit @ 66 kv & above level	188.69	444.15	579.48	377.18	192.31	1527.84
Cost of supply at 5% margin @HT level	620.55	620.55	620.55	620.55	620.55	620.55
Cross subsidy surcharge paise / unit @HT level	29.09	284.55	419.88	217.58	32.71	1368.24
80% of Cross subsidy at HT level	23.27	227.64	335.90	174.06	26.17	1094.59
80% of Cross subsidy at 66KV level	150.95	355.32	463.58	301.74	153.85	1222.27

HESCOM proposes cross subsidy surcharge as noted below for FY-18.

HT-1 Water Supply	HT-2(a) Industries	HT-2b Commercial	HT-2©	HT-4 Resid.Apart	HT-5 Temporary
23.27	227.64	335.90	174.06	26.17	1094.59
150.95	355.32	463.58	301.74	153.85	1222.27

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