

TARIFF REVISION PROPOSAL

The tariff proposal for the year FY-19 is detailed in the foregoing paragraphs.

Revenue Deficit for FY-19:

HESCOM has arrived at the revised Net Annual Revenue Requirement of Rs. **8510.48**Crs for FY-19 as explained in previous para's. For the purpose of arriving at the revenue deficit for FY-19, HESCOM has considered the revenue at the tariff rates approved in Tariff Order-2017. The calculations of revenue projection for FY-19 are shown in Format-D21.

Revenue Gap for FY-18

		Rs. in Crs.
Sl No	Particulars	Amount
1	ARR for FY-19	7791.13
2	Add deficit for FY-17	943.37
3	Net ARR for FY-19	8510.48
4	ERC for FY-19 @ Current Tariff	7138.98
5	Other Income	224.02
6	Gap for FY-17	1371.50

BRIDGING THE REVENUE GAP :

HESCOM proposes to bridge the Gap by Tariff revision for FY-19 as noted below and requests the Hon'ble Commission to consider the same.

Hike requirement for all categories :

- a. Total Gap - Rs. **1371.50**Crs.
- b. Sales - Total sales of 11187.02 (Mu)
- c. Hike required - Rs.1.23/unit on total sales of 11187.02 Mu.

HESCOM is proposing here below for a uniform tariff increase of Ps. 123 per unit across all categories, with this increase, HESCOM would realize additional revenue of about Rs.1371.50 Crs.

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

LT-1 (BJ-KJ)

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
All units	643 Ps/unit	766 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 first 30 units	325 Ps/unit	448Ps/unit
For next 100 units	470 Ps /unit	593 Ps/unit
For next 200 units	625 Ps/unit	748 Ps/unit
For above 200 units	730 Ps/unit	853 Ps/unit

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 30 units	315 Ps/unit	438 Ps/unit
For next 100 units	440 Ps /unit	563 Ps/unit
For next 200 units	595 Ps/unit	718 Ps/unit
For above 200 units	680 Ps/unit	803 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 first 200 units	650 Ps/unit	773 Ps/unit
For above 200 units	775 Ps/unit	898 Ps/unit

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 200 units	595 Ps/unit	718 Ps/unit
For above 200 units	720 Ps/unit	843 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.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 50 units	750 Ps/unit	873 Ps/unit
For above 50 units	850 Ps/unit	973 Ps/unit

LT-3 (ii) : Applicable to Areas under Village Panchayats:
Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 50 units	700 Ps/unit	823 Ps/unit
For above 50 units	800 Ps/unit	923 Ps/unit

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

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units	604 Ps/unit	726 Ps/unit

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

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	300 Ps/unit	423 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	300 Ps/unit	423 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	300 Ps/unit	423 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 first 500 units	510 Ps/unit	633 Ps/unit
For next 500 units	605 Ps/unit	728 Ps/unit
For above 1000 units	635 Ps/unit	758 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 first 500 units	500 Ps/unit	623 Ps/unit

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For next 500 units	590 Ps/unit	713 Ps/unit
For above 1000 units	620 Ps/unit	743 Ps/unit

LT-6 (Water Supply Category):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	425 Ps/unit	548 Ps/unit

LT-6 (Public Lighting Category):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	585 Ps/unit	708 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 1000 ps per unit subject to a weekly minimum of Rs.190 per KW of the sanctioned load	Less than 67 HP. Energy charges at 1123 ps per unit subject to a weekly minimum of Rs.190 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.60/- Energy charges :1000 ps per unit	Less than 67 HP. Fixed charges per KW per month : Rs.60/- Energy charges : 1123 ps per unit

HT-1 (Water Supply Category):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	485 Ps/ unit	608 Ps/unit

HT-2a (Industrial Category):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	660 Ps/ unit	783 Ps/unit
For above one lakh units	680 Ps/unit	803 Ps/unit
Railway traction & ETP		
Energy Charges	620 ps /unit for all the units	743 ps /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	825 Ps/unit	948 Ps/ unit
For above two lakh units	835 Ps/unit	958 Ps/ unit

HT-2 c (i) (Hospitals):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	640 Ps/unit	763 Ps/ unit
For above one lakh units	680 Ps/unit	803 Ps/ unit

HT-2 c (ii) (Hospitals):

Energy charges per unit per month.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	740 Ps/unit	863 Ps/ unit
For above one lakh units	780 Ps/unit	903 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	225 Ps/unit subject to an annual minimum of Rs.1240 per HP.	348 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	225 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	225 Ps/unit	348 Ps/ unit

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

Energy charges per unit.

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PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	4.25 Ps/unit subject to an annual minimum of Rs.1240 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	620 Ps/unit	743 Ps/ unit

HT-5 Temporary Supply

67 HP and above	EXISTING TARIFF	PROPOSED TARIFF
Energy Charge	1000 paise/unit	1123 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.

Application for Approval of APR for FY-17 and Approval of Revised ARR & ERC for
FY-19 & Tariff Filing for FY-19

Expected Revenue from charges at Existing Tariff and at Proposed Tariff FY-19

			FY-19	FY-19
			Projected	At proposed Tariff
Sl. No.	Tariff Category	Category Description	Revenue (Crs)	Revenue (Crs)
			Pr Act	Pr Act
1	LT-1	BJ/KJ: =<40 units	94.12	112.13
		BJ/KJ: >40 units	28.44	34.07
2	LT-2 (a)	Domestic / AEH	934.92	1123.88
3	LT-2 (b)		21.69	25.01
4	LT-3	Commercial	432.86	491.83
5	LT-4 (a)	IP sets - Less than 10 HP - General	3758.14	4523.45
6	LT-4 (b)	Irrigation Pump sets - More than 10 HP	7.55	9.59
7	LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	0.57	0.75
8	LT-5	Industries	269.37	309.70
9	LT-6	Water Supply	161.80	204.00
10	LT-6	Street Lights	99.27	119.02
11	LT-7	Temporary Power Supply	33.12	37.19
	LT Total		5841.86	6990.63
12	HT-1	Water Supply	129.14	158.21
13	HT-2 (a)	Industries	625.47	721.25
14	HT-2 (b)	Commercial	120.42	136.27
15	HT-2 (c)	Hospitals	92.68	107.96
16	HT-3(a)	Irrigation & LI Societies	124.89	189.88
17	HT-3 (b)	Irrigation & LI Societies	0.03	0.03
18	HT-4	Residential Apartments	8.67	10.19
19	HT-5	Temporary Power Supply	66.33	71.06
	HT Total		1167.62	1394.86
	Total		7009.48	8385.48
Other Operating revenues				
20	Reconnection fee (D&R) (61.901, 61.902)		0.00	0.00
21	Service Connection (Supervision Charges) (61.904)		2.50	2.50
22	Delayed payment charges from consumers (61.905)		0.00	0.00
23	Other Receipts from consumers(61.906, 61.600)		19.00	19.00
24	Registration fee towards SRTPV (61.907)		108.60	108.60
25	Facilitation fee towards SRTPV (61.908)		3.40	3.40
26	Supervision Charges for Self Execution works (61.909)			
27	Maintainance charges for the layouts created by the Developers (61.910)			
	Gross Revenue from Sale of Power (20 to 27)		133.50	133.50
	LESS: Rebate and Incentives			
28	Solar Rebate allowed to consumers (78.822)		0.00	0.00
29	Incentives for prompt payment (78.823)		4.00	4.00
30	Time of day (TOD) Tariff Incentive(78.826)		0.00	0.00
	Total (28 to 30)			
31	Provision for withdrawal of Revenue Demand (83.830 to 83.832)			
	Total		4.00	4.00
	GRAND TOTAL		7138.98	8514.98

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-19
Distribution ARR Rs Crs	1139.39
Sales – Mu	11187.02
Wheeling charges- paise /unit	101.849
	Paise /unit
HT-net work. 30%	30.55
LT- net work. 70%	71.29

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 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-19 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	546.44	803.19	934.12	746.17	701.01	1725.51
Cost of supply at 5% margin @ 66 kv and above level	485.60	485.60	485.60	485.60	485.60	485.60
Cross subsidy surcharge paise / unit @ 66 kv & above level	60.84	317.59	448.51	260.57	215.41	1239.90
Cost of supply at 5% margin @HT level	601.83	601.83	601.83	601.83	601.83	601.83
Cross subsidy surcharge paise / unit @HT level	-55.39	201.36	332.28	144.34	99.18	1123.67

HESCOM proposes cross subsidy surcharge as noted below for FY-19.

Particulars	HT-1 Water Supply	HT-2(a) Industries	HT-2b Commercial	HT- 2©	HT-4 Residential Apartments	HT-5 Temporary
Cross subsidy at HT level	-44.31	161.09	265.82	115.47	79.34	898.94
Cross subsidy at 66KV level	48.67	254.07	358.81	208.46	172.33	991.92

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