

## CHAPTER – 6

### DETERMINATION OF RETAIL SUPPLY TARIFF FOR FY19

#### 6.0 Revision of Retail Supply Tariff for FY19-BESCO's Proposals and Commission's Decisions:

#### 6.1 Tariff Application:

As per the Tariff application filed by the BESCO, it has projected an unmet gap in revenue of Rs.2302.93 Crores for FY19, which also includes the gap in revenue of Rs.1028.99 Crores for FY17. In order to bridge this gap in revenue, BESCO has proposed a uniform tariff increase of 82 paise per unit, in respect of all the categories of consumers.

In the previous chapters of this order, the process of Annual Performance Review (APR) for FY17 and the revision of ARR for FY19 has been discussed. The various aspects of determination of tariff for FY19 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 shall 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 has been continued. 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 the 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 Commission, by considering the capital investment made by BESCOM in the distribution network to cater to the needs of the consumer to supply quality and reliable power supply and the various facilities offered in BESCOM area of supply has decided to determine the retail supply tariff for consumers of BESCOM with marginal difference to that of the retail supply tariff to the consumers in other ESCOMs in the State.

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

##### **1. Separate Tariff for 1 MW and above Consumers:**

###### **BESCOM Proposal:**

BESCOM in its application has submitted that, in the present tariff design there is huge gap between the fixed/demand cost recovered versus fixed cost incurred. This gap is to be narrowed down progressively by increasing the fixed /demand charges to the consumers and reducing the energy charges with the concept of tariff neutralization without any benefit out of the proposed change in the tariff structure.

BESCOM has submitted that, the consumers of 1 MW and above are purchasing power from the open access and it causes non-recovery of fixed cost from these consumers and hence it has proposed to recover 100% fixed expenditure from these consumers duly reducing the energy charges, because these consumers are purchasing power in the open market and reaping the benefit. Also differential tariff as urban and rural may not be correct, hence it has proposed to have single tariff as Industrial, commercial and Hospitals and educational institutions.

For the purpose of computation, BESCOM has considered the existing approved rates for open access sales of FY17 as base data to bifurcate the demand and energy charges. Considering the existing approved rates of Fixed and Variable cost and based on the actual recovery during FY17, the BESCOM has recovered only 11% of the cost through fixed cost and the

remaining 89% is being recovered through Variable Charge. Thus the consumers who are availing open access are not paying the full fixed cost to BESCOM.

The BESCOM, in its application has suggested to recover the full fixed cost by reducing the energy charge to ensure full fixed cost recovery from open access consumers as under:

Tariff Category	Proposed Fixed charges per KVA
HT2A	Rs. 495.17
HT2B	Rs. 794.61
HT2C	Rs. 840.61

### Commission's Analysis and decision:

In the last two tariff Orders, the Commission has considered increasing the fixed charges to all the consumers with the observation that the gap in the actual fixed cost incurred and the recovery thereof, shall have to be bridged gradually over a period of time. Hence, the Commission has continued the same approach in this tariff exercise through increase in the minimum billing demand from 75% of the Contract Demand to 85% for all the HT consumers, besides increasing the Fixed Charges in respect of LT consumer categories. However, the issue of non-recovery of full fixed cost from consumers having a Contract Demand of one MW and above, would be addressed by the Commission in the separate Order to be issued on additional surcharge.

## 2. Increase in Billing demand for HT category:

The BESCOM, in its application has submitted that, presently the billing demand during unrestricted period should be the maximum demand recorded during the month or 75% of the CD, whichever is higher. However, in the States like Andhra Pradesh, Telangana, Maharashtra and Gujarat, the minimum billing demand for the HT consumers is more than 75% of the CD. BESCOM in its proposal has requested to increase the minimum billing demand to 85% of the Contract Demand or Maximum Demand Recorded whichever is higher.

**Commission's Analysis and decision:**

The Commission has examined the proposal and notes that the recovery of the Fixed Charges from HT consumers at 75% of the CD or the actual maximum demand recorded, whichever is higher has been in vogue for quite some time and the same needs to be revised considering the present circumstances. In view of the current level of competition in the energy market, there is a need to provide a level playing field to all the stakeholders.

Further, the Commission notes that, the existing billing of demand charges at maximum demand recorded or 75% of contract demand whichever is higher has been in vogue by considering the shortage situation in power supply wherein both energy cut and demand cut were imposed to meet the shortage situation. In addition to this, both reliability and quality of power supply to HT consumers were also reckoned while fixing the minimum billing demand of 75 % of contract demand.

The Commission takes note of the present uninterrupted system of power supply without imposition of energy /demand cut and the reliability and quality of power supply to the HT consumers. The Commission further notes that the fixed expenditure incurred by the ESCOMs is being recovered only to an extent of 28.56%. Thus, the Commission is of the view that there is a need to increase the recovery of fixed expenditure through a revised criterion for billing demand of the HT consumers.

**Hence, the Commission decides to increase the minimum billing demand from the current level of 75% of the contract demand to 85% of the contract demand. The revised demand charges are indicated in the respective HT tariff schedules.**

**3. Additional charges for maximum demand exceeding the contracted demand:**

BESCOM in its application has submitted that in case, in any month, the Recorded Maximum Demand (RMD) of the consumer exceeds the Contracted Demand, the Commission may allow it to recover from such consumer, the following additional charges on excess demand recorded and

also on the entire energy consumption.

<b>RMD over CMD</b>	<b>Demand charges on excess demand</b>	<b>Energy charges on full energy</b>
100 to 120%	2 times of normal charges	Normal Charges
Above 120% and up to 200%	2 times of normal charges	1.15 times of normal charges
More than 200%	2 times of normal charges	1.20 times of normal charges

#### **Commission's Analysis and decision:**

The Commission notes that this matter is covered under clause 42.03 of the "Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka". and any modification in this requires suitable amendments to the said Conditions. Hence, BESCOM is directed to submit suitable proposals for amendments to the Conditions of Supply.

#### **4. Reconnection Charges:**

BESCOM in its application has sought revision of reconnection charges in the range of Rs.100 to 3000 in respect of LT & HT consumers at different voltage levels.

#### **Commission's Analysis and decision:**

The Commission notes that the matter relating to reconnection charges is covered under clause 30.09 of the "Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka". Any modification of these provisions requires suitable amendment to the said Regulations. Hence, BESCOM is directed to submit suitable proposals for amendments to the Conditions of Supply.

#### **5. New Tariff Proposal for Bangalore Metro Rail Corporation Ltd (BMRCL):**

BESCOM in its application has submitted that the BMRCL avails power supply directly from the 66 kV Grid, whilst other HT Industries avail power supply at various voltages from 11 kV to 220 kV through KPTCL's Transmission network

and at the retail supply tariff approved by the Commission in the Tariff Order 2017, dated 11.04.2017. Further, BESCOM has submitted that the BMRCL is not a commercial organization having profit motive and the tariff fixed for BMRCL is slightly higher than the Average Cost of Supply.

BESCOM has requested to consider reduction in the tariff for BMRCL since the energy is consumed for Railway Traction at the Grid voltage of 66 kV and at 66 kV the energy. The requirement to BESCOM is much less as compared to requirement for supplying the energy at 11 kV. In support of its claims, BESCOM has submitted a comparison of the tariff for Metro Rail in Mumbai, Delhi and West Bengal as under:

	Type of installation	Sanctioned load	Estimated units	Fixed charges	Energy charges	Total	ARR (Rs/unit)	EC	FC
BESCOM	Railway traction and effluent treatment	Per KVA	100	210	620	830	8.3	6.20	210
	BMRCL	Per KVA	100	210	600	810	8.1	6.00	210
Mumbai	TATA Power	Per KVA	100	240	722	962	9.62	7.22	240
Delhi	TATA Power	Per KVA	100	130	610	740	7.4	6.10	130
West Bengal	WBSEDCL	Per KVA	100	105	688	793	7.93	6.88	105

BESCOM has submitted that in case only transmission loss is considered for computing the Average cost of supply by considering the various approved cost components for FY18, the realisation rate for BMRCL works out to Rs.7.09/unit for the energy delivered at the Interface point.

BESCOM has justified reduction of tariff to BMRCL on the following grounds:

- i. Industrial loads are confined to their premises and concentrated and as such the load factor of the industries are characteristically high.

- ii. On the other hand, the load on the BMRCL Sub-stations is constituted only by the moving trains. Each 66kV installation of BMRCL feeds to a distance of approximately 40kms (20km on either side). Every train on its journey from the originating station to the destination station passes through several Traction Sub-stations enroute and "Demand" is registered for the same train at every sub-station throughout its route. Hence, the load factor of the Railway Traction Sub-stations is characteristically low.
- iii. Hence in the "Two-part Tariff" regime for the same tariff, the average cost per unit for BMRCL becomes much higher than that for the industries.

#### **Commission's Analysis and decision:**

The Commission notes that the BESCOM's cost analysis based on the estimates for FY18 by considering certain items like 'deficit' for the year FY18 etc., is not based on the facts since the accounts for FY18 are yet to be drawn up (since the year had not come to an end at the time of filing the application by BESCOM). The cost should indicate the actual costs based on the audited accounts. Hence the Commission is unable to rely on such an analysis.

The Commission notes that, the BMRCL is catering to the transport needs of the public in a big way. With a view to provide clean and faster transport to the citizens of Bengaluru, the Commission decides to consider the request of BESCOM and determine a lower tariff to the BMRCL. The details of the tariff schedule are shown the Tariff schedule of this Order.

**However, the Commission, by considering the concessional tariff extended to the BMRCL, decides not to extend the special incentive scheme and ToD tariff as being extended to other HT Industrial Consumers in this Order to the installations of Bangalore Metro Rail Corporation (BMRCL).**

**6. Approval for allowing the expenditure incurred on promotion of payments through Cards and Digital Means.**

BESCOM in its application has submitted that, in the letter dated 07.11.2016 the Under Secretary(IT), Ministry of Power, New Delhi, has communicated the decision of the meeting held under the Chairmanship of Secretary (DIPAM), to the effect that the Ministry of Power will persuade States/DISCOMs to absorb MDR/Convenience fee on digital payment, as the same stands factored in the tariff structure.

**7. Approval for allowing the expenditure incurred on promotion of payments through Cards and Digital Means.**

BESCOM in its application has submitted that, in the letter dated 07.11.2016 the Under Secretary(IT), Ministry of Power, New Delhi, has communicated the decision of the meeting held under the Chairmanship of Secretary (DIPAM), to the effect that the Ministry of Power will persuade States/DISCOMs to absorb MDR/Convenience fee on digital payment, as the same stands factored in the tariff structure.

BESCOM in its application has submitted that, presently, the transaction charges paid by BESCOM for the payments received through Bangalore One/ Karnataka One / Mobile One and Post office is accounted as "Other Finance Cost" and the same is being allowed in the tariff. However, the charges for card payment made through other digital mode as made out below is borne by the consumer.

- a) E-payment through Debit card, Credit card and Net Banking through BESCOM website, bank website, Bangalore-one website.
- b) ECS/NACH.
- c) Mobile-apps (Mobile One, Paytm, Pay U).
- d) NEFT & RTGS for HT Consumers.

- e) Card swiping machines (Point of Sale machines). Provision for the same has also been made in the ATP counters and action has been taken for its live operations.

BESCOM has submitted that the charges for payments made through these modes by the HT Consumers depend on the amount paid at the bank's slab rates and the charges vary from bank to bank which are borne by the consumer are as under:

<b>Electronic Funds Transfer System</b>	<b>Value Band</b>	<b>Service Charges exclusive of applicable tax. (in Rs.)</b>
RTGS	Above Rs 2.00 Lakhs and up to Rs 5.00 Lakhs	34.00
	Above Rs 5.00 Lakhs	63.00
NEFT	Up to Rs 10,000/-	3.00
	Above Rs 10,000/- and up to Rs 1.00 lakh	6.00
	Above Rs 1.00 Lakh and up to Rs 2.00 lakhs	17.00
	Above Rs 2.00 lakhs	29.00

In addition to this, if HT consumers are holding current accounts and if payments are made through Cards as per the limit fixed by the Banks based on their transactions and credit limit, then the transaction charges also need to be borne by BESCOM. BESCOM has furnished the charges levied by various financial institutions for making payment of energy bills. Further, the BESCOM has submitted that, in respect of charges to be absorbed in the case of digital online payments irrespective of the amount of payment, charges to be borne by BESCOM works out to approximately to Rs.155.30 Crores per annum at Rs.12.94 Crores per month and that the Board of Directors has decided that in respect of consumers who pay their electricity bills with a demand up to Rs.2000/ and below, the service charges levied by the service provider will be absorbed by BESCOM.

BESCOM has submitted that, if the HT consumers opt for RTGS/NEFT, Debit/Credit card payment modes other than on-Line payment through BESCOM website, transaction charges are more and needs to be borne by the Company and in turn it will have to be passed on to all the consumers

through tariff as per Gol initiative. Further, the BESCO has informed that, it has already mandated all HT consumers to pay through online and requested the Commission to approve the On-line Payment through BESCO web site or Electronic Bill Payment by selecting Net-Banking mode wherein the applicable transaction charges per transaction is Rs 5/- only.

Further, BESCO has submitted that, in respect of the consumer paying through Bangalore One, Karnataka One, and IMI (Mobile Governance) by Digital mode, the transaction charges are already being borne by BESCO at the rate of Rs.3.50 + Tax, Rs.5.00 + Tax, and Rs.2.85 +Tax respectively. However, if the MDR fees for these said transactions is also borne by BESCO, it will be an additional burden. Apart from this, for the payment made through BBPS, the charges levied by the NPCI, to be paid to BBPOU for ON-US and OF-US transaction are also required to be borne by BESCO. The details of expenditure to be incurred by BESCO and the charges to be borne by BESCO through various modes of payments cited above are submitted.

BESCO has requested the Commission to examine the matter and permit it to bear the expenditure in this regard as per the directions of MOP, Gol and pass suitable orders in this matter.

#### **Commission's analysis and decision:**

The Commission has examined the proposal. In the long-run all the payments towards the energy charges shall, as far as possible, be through the digital mode in line with the directions issued by the MoP, Gol. This would avoid the hassles of handling and accounting of physical cash. Hence in order to encourage the consumers to opt for digital payments, the Commission decides to allow the BESCO to accept the payment of power supply bills from the consumer by digital mode in line with the directives issued by the MOP, GOI and allow it to incur the expenses towards digital payments in the ARR **(other than bank charges levied by the banker to the consumer on payment directly by NEFT / RTGS)**. However, the Commission after having noticed the higher transaction charges on the payment of bill through debit/credit cards, decides to allow BESCO to incur the expenditure on

payment through Debit/ Credit card of power supply bills having demand up to Rs.2000 per month only.

Further, the Commission directs the BESCOM to minimise the expenditure to be incurred in this respect by encouraging the consumers to make payments through other e-payment /digital mode at lower rate of transaction charges

## 8. Special Incentive Scheme to HT/EHT Industrial Consumers

### BESCOM's Proposal:

As part of its efforts to bring back HT Consumers to its grid, BESCOM proposes to introduce an Incentive Scheme for HT Consumers in line with a similar Scheme implemented in the year 2003 wherein the consumption over and above the average consumption for the preceding year was billed at the rate of first slab i.e., Rs.3.80.

This proposed incentive scheme is intended to generate additional revenue from HT consumers (HT2-a i, ii & HT2-b I(i)(ii) and HT2c(ii) consumers) with CD of 1MW and above by encouraging them to consume energy over and above the past 12 months' average consumption by offering a concessional tariff rate.

The BESCOM, under this scheme has proposed to offer a reduced slab rate to the respective tariff categories for the consumption over and above the average consumption, as follows:

Tariff	Slabs	Existing Rates (Ps/unit)	Proposed Incentive Rates (ps/unit)
HT2a(i)	0-1 lakh units	665	665
	above 1 lakh units	695	
HT2a(ii)	0-1 lakh units	660	660
	above 1 lakh units	680	
HT2b(i)	0-2 lakh units	845	845
	above 2 lakh units	855	
HT2b(ii)	0-2 lakh units	825	825
	above 2 lakh units	835	
HT2c(ii)	0-1 lakh units	740	740
	above 1 lakh units	780	

With these proposed incentive rates, the expected increase in sales and corresponding revenue is also worked out. In the options and scenarios that are considered by the BESCO, it is expected that once the incentive scheme is in force, the increase in sales in the HT category would range between 5.0% to 7.5%, which works out to 179 MU per month, resulting in incremental revenue of Rs.38 Crores per month.

- a. The salient features and procedural aspects of the scheme are as follows:
- i. The scheme is applicable to all HT 2(a) (except railway traction and BMRCL), HT2 (b) and HT2(c)(ii) consumers in BESCO. The benefit of the scheme will be extended to all eligible consumers (exceeding the 1<sup>st</sup> slab in their respective tariff) upon their request.
  - ii. The rate applicable for eligible consumption under the scheme is less than the second slab rate/kwh excluding tax as shown in the above table. The normal consumption will be billed at the prevailing tariff rate applicable to the respective category of consumers.
  - iii. Eligibility: The consumption over and above the base consumption fixed for a month is eligible for incentive under the scheme. The base period is defined as the past 12 month's consumption. The base consumption will be the average of monthly-billed energy supplied by BESCO during the base period. Energy consumed under special scheme if any, during the base period will not be accounted for arriving at base consumption.
  - iv. The base consumption will be computed on the average of 12 months' consumption excluding wheeled energy for the period from January, 2016 to December, 2016.
  - v. After opting for this scheme, if the consumers avail increased CD on a permanent basis, the base consumption will be increased by 100 units per KVA of the additional CD availed by the industry on permanent basis.

- vi. For new industries serviced after January, 2017, the criteria for these industries to be eligible for this special scheme shall be a minimum period of six months.
- vii. For new industries, which do not have 12 months' base consumption, the base consumption will be computed on the actual consumption for the months in the base period plus the consumption computed at 100 per KVA per month for the remaining months of the base period.
- viii. BESCOM will have flexibility in fixing base consumption.
- ix. In order to avail the special scheme, 20% increase in contract demand will be allowed to the availing consumers during the currency of the scheme which is optional to the consumers. Penalty for exceeding the maximum demand by the consumers availing the scheme thus would be for the contract demand(CD) exceeding 120% of the sanctioned CD. The minimum billing demand will also be enhanced accordingly.
- x. The scheme will continue till the end of the financial year. However, BESCOM would endeavour to continue the scheme with the approval of the Commission, for the ensuing year as well, with necessary modifications to the rate structure based on the tariff rates approved by KERC for the ensuing year.
- xi. Consumer under the HT incentive scheme can avail any other incentives in force.

BESCOM proposes to meet the incremental power purchase requirement through better load management instead of buying additional power which would be a costly proposition and the Average Power Purchase Cost of Rs.4.67/unit is considered for the additional energy to be procured.

### **Commission's Analysis and Decision:**

The Commission notes that many HT/EHT consumers are opting for open access and are procuring power from sources other than the distribution

licensees and as a result, distribution licensees are deprived of the sales to the paying consumers, impacting the finances of distribution licensees. The Commission is of the view that significant number of such consumers can be weaned back by the ESCOMs if attractive incentives are provided in the Tariff as in the proposals made by the BESCOM. Such scheme, would also encourage HT/EHT consumers to consume more power over and above the average consumption. The Commission also considers that consumption by such consumers should be incentivized during off peak hours and night hours.

Further, the industrial consumers participating in the Public Hearings held by the Commission on the tariff petitions of the distribution licensees, have sought reduction in their tariff, that is competitive with the open market rates and stated that, if done so, they would avail power from the distribution licensees' instead of sourcing their requirement from open access.

**The Commission therefore, hereby extends the following special incentive scheme to HT/EHT consumers, in an attempt to bring back HT /EHT consumers who are availing power through open access.**

**Further, the Commission, considering that concessional tariff being extended to the BMRCL and Railway traction, decides not to extend such special incentive scheme and ToD tariff to the installations of Bangalore Metro Rail Corporation (BMRCL) and Railway traction.**

**The terms and conditions of the special incentive scheme are as under:**

**i. Eligibility:**

- a) The scheme is applicable to all HT (1), HT 2(a), H 2(b) and H2 (c) including sub-categories in these tariff schedules and provided with ToD meters in the State, at their options.
- b) The quantum of energy consumed during non-peak day hours between **10.00 Hours and 18.00 Hours** during the month over and above the

average base consumption corresponding to this time period is eligible under this incentive scheme.

**ii. Base consumption:**

The monthly average consumption out of energy supplied by BESCO during the non-peak hours' period between 10.00 Hours and 18.00 Hours of the day, during the period from 01-04-2017 to 31-03-2018 as recorded in Time of Day (ToD) meter shall be reckoned as base consumption.

**Note: Consumption of energy from sources other than BESCO shall not be reckoned for computation of base consumption.**

**a. Computation of base consumption for existing consumers:**

The base consumption of consumers existing as on 01.04.2017 shall be determined based on their consumption between 10.00 Hours and 18.00 Hours for the period from 01-04-2017 to 31-03-2018, irrespective of the date of request by the consumer for opting for the Scheme.

**b. Computation of base consumption for new consumers:**

(i) In the case of consumers who have obtained the services after 01.04.2017 where the consumption for the past 12 months is not available, then the available consumption subject to availability of a minimum of 6 month's consumption, shall form the basis for computing the base consumption.

If the actual consumption for a minimum of 6 months is not available, the base consumption shall be worked out by considering 67 kWh per month per kVA of contract demand for the installations. After 6 months, the base consumption shall be reassessed on the basis of actual consumption recorded between 10.00 Hours and 18.00 Hours for the 6 months from the date of service.

(ii) In the case of new consumers availing the service during FY19, the base consumption shall be worked out by considering 67 kWh per month per KVA of contract demand for the first 6 months of service. After 6 months, the base consumption shall be reassessed on the basis of

actual consumption recorded between 10.00 Hours and 18.00 Hours for the 6 months from the date of service.

Also, in the case of an existing consumer having Contract Demand of less than 500kVA but not having opted for ToD tariff and now willing to opt for this new special incentive scheme, then such consumer should first opt for ToD regime. The base consumption for such consumers shall be worked out by considering 67 kWh per month per KVA of contract demand for the first 6 months. After 6 months, the base consumption shall be reassessed on the basis of actual consumption recorded in the ToD meter between 10.00 Hours and 18.00 Hours for the 6 months from the date of fixing of ToD meter by opting this scheme.

- (iii) In the case of eligible consumers who have increased their contract demand on a permanent basis, during the currency of the scheme, the existing base consumption shall be increased to the extent of additional contract demand at the rate of 67 kWh/KVA per month, from the month in which the additional contract demand has come into effect.

### iii. Incentive:

Any excess energy consumed by the eligible consumers during the non-peak period between 10.00 Hours and 18.00 Hours, over and above the average base consumption as arrived at, shall be allowed a discount of Rs.1.00/- per unit in the bill, to the eligible consumers.

Further, the eligible consumers should be allowed an incentive of Rs.2.00 per unit in the bill for the energy consumed during the period between 22.00 Hours and 06.00 Hours as against the normal ToD rebate of Re.1.00 per unit.

**Note: The base consumption is not applicable for this additional incentive for the consumption during 22.00 Hours and 06.00 Hours. Further, the existing ToD benefit of [ (-) one Rupee per unit] is not applicable to the consumers covered under this scheme for usage during 22.00 Hours and 06.00 Hours. However, the ToD tariff/penalty of (+) one Rupee per unit, is applicable for the energy consumed**

during the peak periods between 06.00 Hrs. to 10.00 Hrs. and 18.00 Hours to 22.00 Hrs. For the other consumers who have not opted for this scheme, the approved ToD tariff will apply as per the Tariff Order.

**iv. Additional Security deposit:**

No additional security deposit shall be collected for the additional units consumed over and above the base consumption between 10.00 Hours and 18.00 Hours under this "incentive scheme".

**v. Currency of this incentive scheme:**

Further, to provide certainty to the Scheme, the Commission decides that, the Scheme will remain in force initially for two years, subject to revision of the incentive amount annually. However, the BESCO may approach the Commission for review of the Orders during this period. The consumer, under this scheme can exit from the scheme by issuing a notice at least 2 months before opting to exit from this scheme.

**9. Simplification of tariff:**

**BESCO Proposal:**

The BESCO has submitted that a Committee was constituted by the GoK vide Government Order No. EN70 PSR 2017, dated 04.09.2017, to study the tariff simplification across the ESCOMs without impacting the finances of the ESCOMs and also by safeguarding the interests of the economically weaker sections and the subsidized category of consumers, with the objective to reduce the number of the categories of consumers to make the tariff structure more efficient and transparent.

The BESCO has requested the Commission to consider the following proposed tariff structure as recommended in the Report:

- Merging of both rural and urban consumers under one tariff, as 24 hours' supply is arranged to non-agricultural loads by implementing Nirantara Jyothi Yojana (NJY) in rural areas.
- Segregation of consumers under domestic category according to the consumption in order to reduce intra-tariff cross-subsidization.

- Hospitals and Education institutions run by private/ aided or unaided institutions presently under LT2-b tariff have potential to pay cross subsidy. Hence, these institutions may be included under Commercial Tariff.
- Home Stay accommodation in Malnad and Coorg areas presently in domestic tariff should be included in LT3 tariff as the activity is analogous to Commercial tariff.
- Merging of LT-5 rural and urban consumers in view of NJY implementation.
- Billing cycle of LT7 tariff structure being 28 days is causing lot of inconvenience to public and the staff. Hence, billing cycle for LT-7 to be in line with other categories for 30 days.
- IT Companies availing concessional tariff under IT/BT policy are a financial burden on ESCOMs. They are availing the other tariff incentives such as High Voltage rebate, Prompt payment incentive etc., and also getting energy at cheaper rates from IEX and Wheeling. Software installations should be shifted from HT2a category to HT2b category.
- Shifting of HT2c(i) to HT2a category and HT2(c)(ii) to HT2b category.
- kVAh billing may not be implemented as kWh is the active energy which is accounted. Further, the Input energy is also billed on the basis of kWh.

**Commission's Analysis and decision:**

Before the referred Committee was set up by the GoK, for simplification of Tariff structure, the Commission had proposed certain simplification of tariff structure and the suggestions of the ESCOMs were sought. But none of the ESCOMs have furnished their views. However, some of the recommendations of the Committee are in line with the suggestions made by the Commission.

Simplification of tariff structure is aimed at reducing the number of subcategories. It need not necessarily involve converting the existing category to some other category by charging a higher tariff. This exercise is

basically for restructuring the existing subcategories without converting the existing domestic / other categories to commercial categories.

To enable the Commission to examine the proposal, BESCO should have furnished necessary details such as existing and projected number of consumers under the proposed categories, sanctioned/ contract demand, Sales and the revenue at the existing tariff and the proposed tariff etc. Without furnishing the above details along with the proposed tariff, the estimation of revenue to meet the ARR would not be proper.

**Hence, the Commission is of the view that, while submitting new proposal for tariff simplification/re-categorisation for approval of the Commission in the next filing, all the ESCOMs shall furnish the above necessary details, without which it would not be possible for the Commission to examine their requests.**

#### **10. Tariff for Electric Vehicle Charging Stations:**

BESCO has submitted that, the Government of India and NITI Aayog are working on a policy for promotion of e-vehicles to encourage and promote e- mobility in the future. That charging stations are required for mass adoption of electric vehicles, and that to encourage electric and hybrid vehicles, various Companies are coming forward. As per the prevailing tariff structure approved by the Commission, battery charging units are being billed under commercial tariff.

In line with Karnataka State Electric Vehicle & Energy Storage Policy 2017, BESCO has requested the Commission to approve a separate tariff under both HT and LT category with Time of Day tariff electric vehicle charging station.

#### **Commission's Views and Decision:**

The Commission takes note of the Karnataka State Electric Vehicle & Energy Storage Policy, 2017 and the request made by the BESCO to approve a separate tariff under both HT and LT category for the Electric vehicle charging stations to encourage and promote e- mobility in the future by use of electric and hybrid vehicles in the State. The Commission, taking note of

the benefit of such initiative to the environment as well as to the society, decides to introduce a separate category of tariff for HT and LT vehicle charging stations under LT6 tariff schedule with concessional rates. The rates approved to this category is indicated in the Tariff Schedule in the subsequent section of this chapter.

## 6.5 Revenue at existing tariff and deficit for FY19:

The Commission, in its preceding Chapters, has decided to carry forward the gap in revenue of Rs.234.10 Crores of FY17 to the ARR of FY19. The gap in revenue for FY19 is proposed to be filled up by revision of the Retail Supply Tariff, as discussed in the following paragraphs of this Chapter.

Considering the approved ARR for FY19 and the revenue as per the existing tariff, the resultant gap in revenue for FY19 is as follows:

**TABLE – 6.1**  
**Revenue Deficit for FY19**

Rs. in Crores	
Particulars	Amount
Approved Net ARR for FY19 including gap of FY17	19236.16
Revenue at existing tariff	18159.70
(- )Deficit	1076.46
Additional Revenue to be realised by Revision of Tariff	1076.46

Accordingly, in this Chapter, the Commission has proceeded to determine the Revised Retail Supply Tariff for FY19. 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 as given below:

Sl. No	Details	Existing as per 2017 Tariff Order	Proposed by BESCOM
1	Energy charges (including recovery towards service main charges)	648 Paise / Unit Subject to a monthly minimum of Rs.30 per installation per month.	730 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.6.80 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 out-let, it shall be billed as per the Tariff Schedule LT 2(a).

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

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

Commission determined Tariff	Retail Supply Tariff determined by the Commission
<b>680 paise</b> per unit, subject to a monthly minimum of <b>Rs.40</b> per installation per month.	-Nil- Fully subsidized by GoK

**\*Since GOK is meeting the full cost of supply to BJ / KJ installations, 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.6.80 per unit subject to a monthly minimum of Rs.40 per installation per month, shall be demanded and collected from these consumers.**

**2. LT2 - Domestic Consumers:****BESCO'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**

Details	Existing as per 2017 Tariff Order	Proposed by BESCO
Fixed Charges per Month	For the first KW Rs.40/-	For the first KW Rs.40
	For every additional KW Rs.50/-	For every additional KW Rs.50
Energy Charges 0-30 units (life line Consumption )	0 to 30 units: 325 paise/unit	0 to 30 units: 407 paise/unit
Energy Charges in case the consumption exceeds 30 units per month	31 to 100 units: 470 paise/unit	31 to 100 units: 552 paise/unit
	101 to 200 units: 625 paise/unit	101 to 200 units: 707 paise/unit
	201 to 300 units: 730 paise/unit	201 to 300 units: 812 paise/unit
	301 to 400 units: 735 paise/unit	301 to 400 units: 817 paise/unit
	Above 400 units: 740 paise/unit	Above 400 units: 822 paise / unit

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

**Applicable to Areas under Village Panchayats**

Details	Existing as per 2017 Tariff Order	Proposed by BESCO
Fixed Charges per Month	For the first KW Rs.25/-	For the first KW Rs.25
	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: 315 paise/unit	0 to 30 units: 397 paise/unit
Energy Charges in case the consumption exceeds 30 units per month	31 to 100 units: 440 paise/unit	31 to 100 units: 522 paise/unit
	101 to 200 units: 595 paise/unit	101 to 200 units: 677 paise/unit
	201 to 300 units: 680 paise/unit	201 to 300 units: 762 paise/unit
	Above 300 units: 685 paise/unit	Above 300 units : 767 paise/unit

**Commission's decision:**

As in the previous tariff Order, the Commission decides to 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.50/- For every additional KW Rs.60/-
Energy Charges up to 30 units per month (0-30 units)- <b>life line consumption.</b>	Up to 30 units: 350 paise/unit
Energy Charges in case the consumption exceeds 30 units per month	31 to 100 units:495 paise/unit
	101 to 200 units:650 paise/unit
	201 to 300 units: 755 paise/unit
	301 to 400 units: 760 paise/unit Above 400 units: 765 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.35/- For every additional KW Rs.50/-

Energy Charges upto 30 units per month (0-30 Units)- <b>Lifeline Consumption</b>	Up to 30 units: 340 paise/unit
Energy Charges in case the consumption exceeds 30 units per month	31 to 100 units: 465 paise/unit
	101 to 200 units: 620 paise/unit
	201 to 300 units: 705 paise/unit
	Above 300 units: 710 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 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 2017 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	Rs.55 Per KW subject to a minimum of Rs.85 per month	Rs.55 Per KW subject to a minimum of Rs.85 per month
Energy Charges	For the first 200 units; 650 paise per unit	For the first 200 units; 732 paise per unit
	Above 200 units; 775 paise per unit	For the balance units; 857 paise per unit

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

Details	Existing as per 2017 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	Rs.45 per KW subject to a minimum of Rs.70 per Month	Rs.45 per KW subject to a minimum of Rs.70 per Month
Energy Charges	For the first 200 units: 595 paise per unit	For the first 200 units: 677 paise per unit
	Above 200 units: 720 paise per unit	For the balance units: 802 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.65 per KW subject to a minimum of Rs.90 per Month
Energy Charges	0-200 units: 675 paise/unit
	Above 200 units: 800 paise/unit

**Approved Tariff for LT 2 (b) (ii)**

**Private Professional and other private Educational Institutions, Private Hospitals and Nursing Homes**

**Applicable to Areas under Village Panchayats**

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs.55 per KW subject to a minimum of Rs.75 per Month
Energy Charges	0-200 units: 620 paise/unit
	Above 200 units: 745 paise/unit

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

The details of 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 2017 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs.60 per KW	Rs.60 per KW
Energy Charges	For the first 50 units:750 paise per unit	For the first 50 units:832 paise per unit
	For the balance units:850 paise per unit	For the balance units: 932 paise per unit

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

Details	Existing as per 2017 Tariff Order	Proposed by BESCOM
Fixed charges	Rs.75 per KW	Rs.75 per KW
Energy Charges	For the first 50 units:750 paise per unit	For the first 50 units:832 paise per unit
	For the balance units:850 paise per unit	For the balance units:932 paise per unit

**LT-3 (ii) Commercial Lighting, Heating & Motive**

**Applicable to areas under Village Panchayats**

Details	Existing as per 2017 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	Rs.50 per KW	Rs.50 per KW
Energy Charges	For the first 50 units:700 paise per unit	For the first 50 units: 782 paise per unit
	For the balance units: 800 paise per unit	For the balance units: 882 paise per unit

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

Details	Existing as per 2017 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	Rs.65 per KW	Rs.65 per KW
Energy Charges	For the first 50 units:700paise per unit	For the first 50 units:782 paise per unit
	For the balance units:800 paise per unit	For the balance units: 882 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.70 per KW
Energy Charges	For the first 50 units: 775 paise/ unit
	For the balance units: 875 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.85 per KW
Energy Charges	For the first 50 units:775 paise /unit
	For the balance units:875 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.60 per KW
Energy Charges	For the first 50 units: 725 paise per unit
	For the balance units: 825 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.75 per KW
Energy Charges	For the first 50 units: 725 paise per unit
	For the balance units: 825 paise per unit

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

**BESCOM's Proposal:**

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

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

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

Details	Existing as per 2017 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Nil	Nil
Energy charges	CDT 334 paise per unit	CDT 416 paise per unit

**Commission's Decision**

The Government of Karnataka has extended free supply of power to farmers as per the 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 FY19**

Particulars	BESCO
Approved ARR in Rs. Crores	19236.16
Revenue from other than IP & BJ/KJ installations in Rs. Crores	16513.75
Amount to be recovered from IP & BJ/KJ installations in Rs. Crores	2722.41
Approved Sales to BJ/KJ installations in MU	127.68
Revenue from BJ/KJ installations at Average Cost of supply in Rs. Crores	86.82
Amount to be recovered from IP Sets category in Rs. Crores	2635.59
Approved Sale to IP Sets in MU	7123.21
<b>Commission Determined Tariff (CDT) for IP set Category for FY19 in Rs/Unit</b>	<b>3.70</b>

Accordingly, the Commission decides to approve tariff of Rs.3.70 per unit as CDT for FY19 for IP Set category under LT4 (a). In case the GoK does not release the subsidy in advance, the tariff of Rs.3.70 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	<i>Nil*</i>
Energy charges	

CDT (Commission Determined Tariff):

**370 paise** per unit

**\* In case the GoK does not release the subsidy in advance, a tariff of Rs.3.70 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 partly complied with these directions and 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.

The Government of Karnataka vide its letter dated 16.12.2017 has informed the Commission that for FY19, an amount of Rs. 8040.26 Crores is available for the subsidized supply to BJ/KJ installations and IP sets, and that there is no change in the Policy of the Government in the matter of free supply to BJ/KJ consumers (consuming up to 40 Units) and IP sets consumers with a contract demand of 10 HP and below. It is also informed that in case, the amount required for the subsidized supply to these in excess of the available amount, the Government is unable to meet the balance amount in the subsequent year.

In reply to the above letter the Commission, in its letter dated 11.01.2018 has informed the Government that as per the provisions of the Electricity Act, 2003 and in view of the Policy of the State Government to supply free power to

BJ/KJ installations (consuming up to 40 Units per month) and IP Sets having sanctioned load of 10 HP and below, the Government has to fully meet the cost of such subsidized supply. The Commission has made it clear to the Government that the shortfall in subsidy cannot be passed on to the other consumers, who are already paying tariffs with high level of cross subsidies and any increase on such higher tariff of other consumers would correspondingly increase the cross subsidy levels, which would be against the provisions of the Electricity Act and the Tariff Policy, that emphasize gradual reduction in cross subsidy at a level not exceeding plus or minus 20% of the cost of supply. In view of the above the Government was requested to consider the following alternatives:

- a) In view of the Policy decision taken by the Government to supply free power supply to BJ/KJ and IP sets installations, the Government has to provide full subsidy as committed in the Government Order dated 4<sup>th</sup> September, 2008, as the shortfall in the subsidy cannot be made good by charging higher tariff to other consumers, as they are already cross subsidizing beyond the maximum ceiling limit prescribed under the Tariff Policy.
- b) If the Government is not able to provide adequate subsidy towards free power to the BJ/KJ and IP set installations, the present 7 hours three phase power being supplied to the IP sets shall have to be proportionately reduced. Based on the reduced allocation of subsidy the quantum of power that could be supplied to IP sets would be 12597.28 MU and the duration of supply could be four hours per day, instead of seven hours.
- c) In case, the reduction of quantum of power is not possible, the shortfall in the subsidy shall be made good by the IP set consumers.

The Commission has not received reply from the Government.

**Under the circumstances, the Commission directs the ESCOMs as follows:**

**The ESCOMs shall manage supply of power to the IP sets for the FY19, so as to ensure that it is within the quantum of subsidy committed by the GoK. While**

doing so, they shall procure power proportionate to such supply. In case the ESCOMs choose to supply power to the IP sets in excess of the quantum proportionate to the amount of subsidy available from the GoK for FY19, 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 shall be collected from the IP set consumers.

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

#### BESCO's Proposal

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

LT-4 (b) Irrigation Pump Sets:

#### Applicable to IP Sets above 10 HP

Details	Existing as per 2017 Tariff Order	Proposed by BESCO
Fixed charges per Month	Rs.50 per HP	Rs.50 per HP
Energy charges for the entire consumption	300 paise per unit	382 paise per unit

The existing and proposed tariff for LT4(c) category 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 2017 Tariff Order	Proposed by BESCO
Fixed charges per Month	Rs.40 per HP	Rs.40 per HP
Energy charges for the entire consumption	300 paise per unit	382 paise per unit

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

Details	Existing as per 2017 Tariff Order	Proposed by BESCO
Fixed charges per Month	Rs.50 per HP	Rs.50 per HP
Energy charges for the entire consumption	300paise per unit	382 paise per unit

**Approved Tariff:**

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

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

Fixed charges per Month	Rs.60 per HP
Energy charges for the entire consumption	325 paise/unit

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

Fixed charges per Month	Rs.50 per HP
Energy charges	325 paise / unit

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

Fixed charges per Month	Rs.60 per HP
Energy charges	325 paise/unit

**5. LT5 Installations-LT Industries:****BESCO's Proposal:**

The existing and proposed tariffs under this category 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 2017 Tariff Order	Proposed by BESCO
Fixed charges per Month	i) Rs. 40 per HP for 5 HP & below ii) Rs. 45 per HP for above 5 HP & below 40 HP iii) Rs. 60 per HP for 40 HP & above but below 67 HP iv) Rs. 120 per HP for 67 HP & above	i) Rs. 40 per HP for 5 HP & below ii) Rs. 45 per HP for above 5 HP & below 40 HP iii) Rs. 60 per HP for 40 HP & above but below 67 HP iv) Rs. 120 per HP for 67 HP & above

**Demand based Tariff (Optional)**

Details	Description	Existing Tariff as per 2017 Tariff Order	Proposed by BESCO
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.65 per KW of billing demand	Rs.65 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.90 per KW of billing demand	Rs.90 per KW of billing demand
	67 HP and above	Rs.170 per KW of billing demand	Rs.170 per KW of billing demand

**ii) Energy Charges**

Details	Existing as per 2017 Tariff Order	Proposed by BESCOM
For the first 500 units	525 paise per unit	607 paise/ unit
For the balance units	650 paise per unit	732 paise /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 2017 Tariff Order	Proposed by BESCOM
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	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

**Demand based Tariff (optional)**

Details	Description	Existing Tariff as per 2017 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.80 per KW of billing demand	Rs.80 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 2017 Tariff Order	Proposed by BESCOM
For the first 500 units	500 paise per unit	582 paise/ unit
For the next 500 units	590 paise per unit	672 paise/ unit
For the balance units	620 paise per unit	702 paise/ 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
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

**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	(-) 100 paise per unit

**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 existing optional ToD will continue for HT2(a), HT2(b) and HT2(c) consumers with contract

demand of less than 500 KVA. Further, for LT5 and HT1 consumers, the existing optional ToD is continued.

**The Commission takes note of the request made by the consumer of other categories to extend the same concession as given in the energy charges to the Effluent Treatment Plant situated within the industrial premises. The Commission having considered the environmental and the social benefits from the Effluent Treatment Plants and Drainage Water Treatment plants owned other than by local bodies situated within the premises of the installation, decides to bill the electricity consumed by the effluent plants and drainage water treatment plants from the main meter or by sub-meter, at the same tariff schedule, as applicable to the installations for which the power supply is availed.**

**The Commission notes the request made by the BESCO for billing the power supply to Solid Waste processing plants under LT and HT industrial category. The Commission by considering the environmental and social benefits in processing of solid waste by such plants, decides to approve billing by ESCOMs for the power supply arranged to such plants under LT/HT industrial tariff.**

The Commission decides to continue with the existing two tier tariff structure 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) categories 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	i) Rs.45 per HP for 5 HP & below ii) Rs.50 per HP for above 5 HP & below 40 HP iii) Rs.70 per HP for 40 HP & above but below 67 HP iv) Rs.130 per HP for 67 HP & above

**Demand based Tariff (optional)**

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.70 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.100 per KW of billing demand
	67 HP and above	Rs.180 per KW of billing demand

**ii) Energy Charges**

Details	Approved by the Commission
For the first 500 units	550 paise/unit
For the balance units	675 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.40 per HP for 5 HP & below ii) Rs.45 per HP for above 5 HP & below 40 HP iii) Rs.65 per HP for 40 HP & above but below 67 HP iv) Rs.120 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.60 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

**iii) Energy Charges**

Details	Approved tariff
For the first 500 units	520 paise/ unit
For the next 500 units	610 paise/ unit
For the balance units	640 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 and Street Lights Installations:****BESCO's Proposal:**

The existing and the proposed tariffs are given below:

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

Details	Existing as per 2017 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs.55/HP/month	Rs.55/HP/month
Energy charges	425 paise/unit	507 paise/unit

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

Details	Existing as per 2017 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs.70/KW/month	Rs.70/KW/month
Energy charges without LED bulbs	585 paise/unit	667 paise/unit
Energy charges for LED / Induction	485 paise/unit	567 paise/unit

**Commission's decision:**

The Commission approves the tariff for these categories as follows:

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

Details	Approved Tariff
Fixed Charges per Month	Rs.65/HP/month
Energy charges	440 paise/unit

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

Details	Approved Tariff
Fixed charges per Month	Rs.80 /KW/month
Energy charges	610 paise/unit
Energy charges for LED / Induction Lighting	510 paise/unit

**Electric Vehicle Charging Stations (Newly Introduced Tariff)**

As discussed earlier in this chapter, the Commission decides to introduce an additional sub-category of LT-6(c) under LT-6 tariff category for the supply of power to Electric Vehicle Charging Stations under LT and HT supply.

The Commission approved tariff to this new sub-category is as under:

**Tariff Approved by the Commission for LT-6 (c)****Electric Vehicle Charging Stations (For Both LT & HT)**

Details	Approved Tariff
Fixed /Demand charges per KW /KVA	For LT - Rs.50 /KW/month For HT –Rs.180/KVA/month
Energy charges (for both LT & HT)	<b>485 paise/unit</b>

**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 2017 Tariff Order	Proposed by BESCOM
a) Less than 67 HP:	Energy charge at 1000 paise per unit subject to a weekly minimum of Rs.190 per KW of the sanctioned load.	Energy charge at 1082 paise per unit subject to a weekly minimum of Rs.190 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 2017 Tariff Order	Proposed by BESCO
a) Less than 67 HP:	Fixed Cost Rs.60 per KW/ month of the sanctioned load.	Fixed Cost Rs.60 per KW/ month of the sanctioned load.
	Energy charge at 1000 paise per unit	Energy charge at 1082 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 continue to 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
<b>Temporary Power Supply for all purposes.</b>	<b>Less than 67 HP:</b>	Energy charges at 1030 paise / unit subject to a weekly minimum of Rs.200 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.75 per KW / month
		Energy charges at 1030 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 categories.

**As discussed earlier in this chapter, the existing demand charges claimed on the billing demand of maximum demand recorded during the month or 75% of the Contract demand whichever is higher has been revised to maximum demand recorded during the month or 85% of the Contract demand whichever is higher.**

#### **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 2017 Tariff Order	Proposed by BESCOM
1	Demand charges	Rs.200 / kVA of billing demand / month	Rs.200 / kVA for billing demand / month
2	Energy charges	485 paise per unit	567 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
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

**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	(-) 100 Paise per unit

**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	500 paise/ unit

**As discussed earlier in this chapter, the approved ToD tariff to HT-1 -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	(-) 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 2017	Proposed by BESCOM
Demand charges	Rs. 210 / kVA of billing demand / month	Rs. 210 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	665paise per unit	747 paise per unit
(ii) For the balance units	695paise per unit	777 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 2017	Proposed by BESCOM
Demand charges	Rs. 200 / kVA of billing demand / month	Rs. 200 / kVA of billing demand / month
Energy charges		
(iii) For the first one lakh units	660 paise per unit	742 paise per unit
(iv) For the balance units	680 paise per unit	762 paise per unit

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

Details	Existing tariff as per Tariff order 2017	Proposed by BESCO
Demand charges	Rs. 210 / kVA at billing demand / month	Rs. 210 / kVA of billing demand / month
Energy charges	620 paise per unit for all the units	702 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
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

**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	(-) 100 Paise per unit

**Tariff for Metro Rail Corporation**

Details	Existing tariff as per Tariff Order 2017	Proposed by BESCO
Demand charges	Rs.210 / kVA of billing demand / month	Rs.210 / kVA of billing demand / month
Energy charges	600 paise per unit for all the units	682 paise per unit for all the units

**Commission's Decision:**

The Commission in its previous Tariff Order has allowed in respect of Industries availing HT power supply under HT2(a) tariff schedule, for the supply availed for Effluent Treatment Plant situated within the premises by fixing a separate sub-meter, a rebate of 50 paise per unit of electricity consumed by such Effluent Treatment Plant in the applicable tariff schedule without reduction in the demand of the main HT supply.

**The Commission takes note of the request made by the consumers of other categories to extend the same concession as given in the energy charges to the Effluent Treatment Plant situated within the industrial premises. The Commission having considered the environmental and the social benefits from the Effluent Treatment Plants and Drainage Water Treatment plants owned other than by local bodies situated within the premises of the HT installation, decides to allow billing of the electricity consumed by the effluent treatment plants and Drainage Water Treatment plants from the main meter or by sub-meter, at the same tariff schedule as applicable to the HT installations for which the power supply is availed.**

**The Commission notes the request made by the BESCO for billing the power supply to Solid Waste processing plants under HT industrial category. The Commission by considering the environmental and social benefits in processing of the solid waste by such plants, decides to approve billing by ESCOMs for the power supply arranged to such plants under HT industrial tariff.**

**Approved Tariff for HT – 2 (a) (i) :**

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

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

<b>Details</b>	<b>Tariff approved by the Commission</b>
Demand charges	Rs.210 / kVA of billing demand / month
Energy charges	
For the first one lakh units	690 paise/ unit
For the balance units	720 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	680 paise/ unit
For the balance units	700 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

**Note: ToD Tariff is not applicable to BMRCL and Railway Traction installations.****iii) Railway Traction under both HT2a(i) & HT2 a(ii)**

Details	Tariff approved by the Commission
Demand charges	Rs. 210 / kVA of billing demand / month
Energy charges	600 paise / unit for all the units

The Commission, by considering the concessional tariff extended to the the Railway traction, decides not to extend the new special incentive scheme approved in this Order and ToD tariff to the installations of Railway traction.

**iv) Effluent Treatment Plants independently serviced outside the premises of any installation under both HT2a(i) & HT2 a(ii)**

Details	Tariff approved by the Commission
Demand charges	Rs.210 / kVA of billing demand / month
Energy charges	640 paise / unit for all the units

**Note: The ToD tariff is applicable to these installations, if the new Special Incentive Scheme is not opted.**

**As discussed earlier in this chapter, the Commission decides to approve the tariff for BMRCL as under:**

**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	500 paise per unit

**Note: The Commission, by considering the concessional tariff extended to the BMRCL, decides not to extend the new special incentive scheme and the ToD tariff to the installations of BMRCL.**

#### **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 2017	Proposed by BESCOM
Demand charges	Rs.230 / kVA of billing demand / month	Rs.230 / kVA of billing demand / month
Energy charges		
(i) For the first two lakh units	845 paise per unit	927 paise per unit
(ii) For the balance units	855 paise per unit	937 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 2017	Proposed by BESCO
Demand charges	Rs.220 / kVA of billing demand / month	Rs.220 / kVA of billing demand / month
Energy charges		
(i) For the first two lakh units	825 paise per unit	907 paise per unit
(ii) For the balance units	835 paise per unit	917 paise per unit

#### Existing 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 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

#### 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	(-) 100 Paise per unit

#### Commission's Decision:

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	870 paise per unit
(ii) For the balance units	880 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	850 paise per unit
(ii) For the balance units	860 paise per unit

**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	(-) 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 2017	Proposed by BESCO
Demand charges	Rs. 200 / kVA of billing demand / month	Rs.200 / kVA of billing demand / month

Energy charges		
(i) For the first one lakh units	640 paise per unit	722 paise per unit
(ii) For the balance units	680 paise per unit	762 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 2017	Proposed by BESCOM
Demand charges	Rs. 200 / kVA of billing demand / month	Rs. 200 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	740 paise per unit	822 paise per unit
(ii) For the balance units	780 paise per unit	862 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
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 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	(-) 100 Paise per unit

**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	665 paise per unit
(ii) For the balance units	705 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	765 paise per unit
(ii) For the balance units	805 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 2017	Proposed charges by BESCOM
Energy charges/ Minimum charges	225 paise / unit Subject to an annual minimum of Rs.1240 per HP / annum	307 paise / unit Subject to an annual minimum of Rs. 1240 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 2017	Proposed by BESCOM
Fixed charges	Rs. 50 / HP / Month of sanctioned load	Rs. 50 / HP / Month of sanctioned load
Energy charges	225 paise / unit	307 paise / unit

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

Details	Existing Tariff as per Tariff Order 2017	Proposed by BESCOM
Fixed charges	Rs.30 / HP / Month of sanctioned load	Rs.30 / HP / Month of sanctioned load
Energy charges	225 paise / unit	307 paise / 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	250 paise/ unit subject to an annual minimum of Rs. 1360 per HP / annum
-------------------------------------	--

**Approved tariff for HT 3 (a) (ii)****Applicable to Private LI Schemes and Lift Irrigation Societies fed through  
express / urban feeders**

Fixed charges	Rs.60 / HP / Month of sanctioned load
Energy charges	250 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.40 / HP / Month of sanctioned load
Energy charges	250 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 2017	Proposed by BESCOM
Energy charges / minimum charges	425 paise / unit subject to an annual minimum of Rs.1240 per HP of sanctioned load	507 paise / unit subject to an annual minimum of Rs.1240 per HP of sanctioned load

**Commission's Decision**

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

**Approved Tariff for HT-3(b)****HT3 (b)- Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Rubber, Coconut & Arecanut Plantations:**

Details	Approved Tariff
Energy charges / minimum charges	450 paise / unit subject to an annual minimum of Rs.1360 per HP of sanctioned load

**14. HT4- Residential Apartments/ Colonies:****BESCO'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 2017	Proposed by BESCO
Demand charges	Rs.120 / kVA of billing demand	Rs.120 / kVA of billing demand
Energy charges	620 paise per unit	702 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	645 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 Tariff Order 2017</b>	<b>Proposed by BESCOM</b>
Fixed charges / Demand Charges	Rs.240/HP/month for the entire sanction load / contract demand	Rs.240/HP/month for the entire sanction load / contract demand
Energy Charges	1000 paise / unit	1082 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 Tariff Order 2017</b>	<b>Proposed by BESCOM</b>
Fixed charges / Demand Charges	<b>Not Applicable</b>	<b>Not Applicable</b>
Energy Charges	1100 paise / unit	1182 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 categories of consumers covered under HT2(b) Tariff schedule availing power supply for construction-power for irrigation and power projects and is 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.250 /HP/month for the entire sanction load / contract demand
Energy Charges	1030 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	1130 paise / unit

The Approved Tariff schedule for FY19 is enclosed in **Annexure– IV** of this Order.

**6.7 Wheeling and Banking Charges for FY19:****6.7.1 BESCOM's Proposal:**

The BESCOM has stated that, the proposed wheeling charges of 20.88 paise/unit, and 48.72 paise/unit respectively for HT network and LT network [Page 151A of the filing]. Further it is stated that proposed technical losses are applicable.

The Commission in its preliminary observations had directed the BESCOM:

- To furnish the applicable technical losses for OA/wheeling transactions.
- To clarify whether the existing concessional wheeling charges shall be continued for RE sources. If, not the BESCOM's proposal in the matter, to be submitted.

The BESCOM, in its replies, has furnished the following:

- a. The applicable technical losses for OA/wheeling transactions are as depicted in the below table:

Loss allocation	% loss
HT	3.67
LT	7.79

- b. BESCOM has prayed before the Commission to extend the proposed wheeling charges to all the OA/wheeling transactions.

#### Commission's Decisions:

The Commission has noted the replies furnished. The Commission has considered the approved ARR pertaining to distribution wires business and has proceeded to determine the wheeling charges, for each of the voltage levels, 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:

#### Wheeling Charges

Distribution ARR-Rs. Crores	1745.51
Sales-MU	28286.75
Wheeling charges- paise/unit	61.71
	<b>Paise/unit</b>
HT-network	18.51
LT-network	43.20

In addition to the above, the following technical losses are applicable:

Loss allocation	% loss
HT	3.59
LT	7.64

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

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		19(3.59%)	62(11.23%)
LT		62(11.23%)	43(7.64%)

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

The wheeling charges as determined above are applicable to all the open access / wheeling transactions for using the BESCO network, subject to paragraphs 6.7.4 & 6.7.5 below with respect to renewable sources of energy.

### **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 within 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 both used, Transmission Charges shall be payable to the Transmission Licensee. Wheeling Charges of the ESCOM where the power is drawn shall be shared equally among the ESCOMs whose networks are used.

#### **Illustration:**

If a transaction involves both transmission network & BESCO's network and 100 units is injected, then at the drawal point the consumer is entitled

for 86.03 units, after accounting for Transmission loss of 3.083% & BESCO's technical loss of 11.23%.

The Transmission charge in cash as determined in the Transmission Tariff Order shall be payable to KPTCL and Wheeling Charge at 62 paise per unit shall be payable to BESCO. In case, more than one ESCOM is involved, the above 62 paise shall be shared by all the ESCOMs involved.

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

**Illustration:**

If a transaction involves injection to MESCOM's network & drawal at BESCO's network, and 100 units is injected, then at the drawal point the consumer is entitled for 88.77 units, after accounting BESCO's technical loss of 11.23%.

The Wheeling charges of 62 paise per unit applicable to BESCO shall be equally shared between MESCOM & BESCO.

**6.7.4 Charges for Wheeling of energy by the 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 within the State shall be applicable.

**6.7.5 Charges for wheeling energy by the RE sources, wheeling energy 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 paras 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

charges as specified in the Orders issued by the Commission, from time to time, shall be applicable.

#### 6.7.6 Banking Charge and Additional Surcharge:

The banking Charges and the Additional Surcharge shall be applicable, as specified in the Orders issued by the Commission from time to time.

#### 6.8 Cross Subsidy Surcharge[CSS]:

##### **BESCOM Proposal:**

BESCOM in their Tariff Filing has stated that the Cross Subsidy Surcharge calculated by the Commission and recovered from Open Access consumers is insufficient to recover the entire loss of cross subsidy. Added to this, no cross subsidy surcharge is applicable to open access/wheeling transactions from solar energy. Solar generation has increased significantly since last year, BESCOM has prayed the Commission to levy CSS on/wheeling charges to solar energy also. BESCOM has also stated that power purchase cost is getting stranded due to consumers procuring power from OA.

The Commission notes that the retail tariff, cross subsidies, wheeling charges and CSS are based on estimates and while truing up, the differences, if any, are carried forward to the ARR of next year and accordingly, the retail tariff, cross subsidies, wheeling charges and CSS are revised.

Regarding introduction of wheeling charges and CSS for solar, the Orders issued from time to time by the Commission shall be applicable.

Regarding stranded cost, the additional surcharge was raised before the Commission in a separate petition filed by ESCOMs and therefore, the same is not considered in this petition.

For FY19, BESCOM has Proposed the following CSS stating that the same is computed based on Tariff policy,2016:

Voltage level	HT-2a	HT-2b	HT-2C	HT-4	HT-5
66kV & above	169	213	189	146	257
HT-11kV or 33 kV	169	213	189	146	257

The Commission had noted that, as per the calculations submitted, CSS has to be levied to HT-1 category also at 66 kV and above level, which is not proposed by BESCOM. BESCOM was asked to clarify the matter.

BESCOM in its reply has submitted the revised CSS as indicated below:

Voltage level	HT-1	HT-2a	HT-2b	HT-2C	HT-4	HT-5
66kV & above	110	169	213	189	146	257
HT-11kV or 33 kV	110	169	213	189	146	257

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

Based on the methodology specified in its MYT and OA Regulations, the category-wise cross subsidy will be as indicated below:

Paise/unit

Particulars	Category Tariff	Average Cost of supply at 66 kV and above level*	Average Cost of supply at HT level**	Cross subsidy surcharge paise/unit at 66 kV & above level as per formula	Cross subsidy surcharge paise/unit at HT level as per formula	20% of tariff payable by relevant category
1	2	3	4	5	6	7
HT-1 Water Supply	570	426.17	465.77	143.83	104.23	114.80
HT-2a(i) Industries	783	426.17	465.77	356.83	317.23	156.60
HT-2a(ii) Industries	846	426.17	465.77	419.83	380.23	169.20
HT-2b(i) Commercial	1007	426.17	465.77	580.83	541.23	201.40
HT-2b(ii) Commercial	1018	426.17	465.77	591.83	552.23	203.60
HT-2 (C) (i)	772	426.17	465.77	345.83	306.23	154.40
HT-2 (C) (ii)	871	426.17	465.77	444.83	405.23	174.20
HT3 (a) (i) Lift Irrigation	250	426.17	465.77	-176.17	-215.77	50.00
HT3 (a) (ii) Lift Irrigation	307	426.17	465.77	-119.17	-158.77	61.40
HT3 (a) (iii) Lift Irrigation	302	426.17	465.77	-124.17	-163.77	60.40
HT3 (b) Irrigation & Agricultural Farms	452	426.17	465.77	25.83	-13.77	90.40
HT-4 Residential Apartments	683	426.17	465.77	256.83	217.23	136.60
HT5 Temporary	1536	426.17	465.77	1109.83	1070.23	307.20

\*Includes weighted average power purchase costs of 362.38Ps/unit, transmission charges of 52.04Ps/unit and transmission losses of 3.14%.

\*\* Includes weighted average power purchase costs of 362.38Ps/unit, transmission charges of 52.04Ps/unit and transmission losses of 3.14%, HT distribution network / wheeling charges of 22.72Ps/unit and HT distribution losses of 4.32%.

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 the nearest paise) is determined as under:

Paise/unit

Particulars	66 kV & above	HT level-11 kV/33kV
HT-1 Water Supply	114	104
HT-2a(i) Industries	157	157
HT-2a(ii) Industries	169	169
HT-2b(i) Commercial	201	201
HT-2b(ii) Commercial	204	204
HT-2 (C)(i)	154	154
HT-2 (C)(ii)	174	174
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	26	0
HT-4 Residential Apartments	137	137
HT5 Temporary	307	307

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.

## **6.9 Other Issues:**

### **i) 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).

### **ii) Rebate for use of Solar Water Heater:**

The Distribution Licensees have requested the Commission to continue the Solar water heater rebate to the consumers. The consumers have requested to increase the Solar water heater Rebate. Since the use of Solar Water Heaters is advantageous to both the ESCOMs and the consumers, the Commission decides 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.

### **iii) 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.

**iv) 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 / BIFR.

**v) Power Factor:**

The Commission in its previous orders 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

**vi) 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.

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

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

**viii) 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.

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

The Commission, in its previous Tariff Order had approved payment of electricity bills in cash/cheque/DD of amounts up to and inclusive of Rs. 10,000/- and payment of amounts exceeding 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 upto the limit prescribed by the RBI, and the collection of power supply bills above Rupees One lakhs through RTGS / NEFT at the option of the consumer.

BESCOM in its application has requested the Commission, to also allow it to collect the power supply bills through various new modes of digital payments including by Debit / Credit Cards, BBPS and allow to bear the charges incurred on such transaction and pass on to the consumer in the retail supply tariff. The Commission as discussed earlier in this previous para of the this Chapter, in order to encourage the consumers to opt for digital payments in line with the direction of the MOP, Gol, decides to allow BESCOM to collect payment of monthly power supply bill through Electronic clearing system (ECS)/ Debit / Credit cards / **RTGS/ NEFT/ Net Banking through ESCOMs / Bank/ Bangalore One and Karnataka One websites, on-line E-Payment / Digital mode of payments in line with the**

**guidelines issued and the payment up to the limit prescribed by the RBI wherever such facility is provided by the Licensee** and allow BESCO to incur and claim the expenditure on such transaction in the ARR. **However, the Commission decides to allow BESCO to incur the expenditure on the payment for power supply bills received through Debit / Credit Cards having demand up to Rs.2000/- and below only.**

#### **6.10 Cross Subsidy Levels for FY19: -**

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 BESCO 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.

#### **6.11 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 including BESCO have filed their applications for revision of tariff on 30<sup>th</sup> November, 2017. As the tariff revision is effective from 1<sup>st</sup> April, 2018 onwards, the ESCOMs would be recovering revenue as per the revised tariff for eleven months of the current 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**.

#### 6.12 Summary of the Tariff Order:

- ❖ The Commission has approved for BESCOM an ARR of Rs.19236.16 Crores for FY19, which includes the deficit for FY17 of Rs.234.10 Crores with a total gap in revenue of Rs.1076.46 Crores as against BESCOM's proposed ARR of Rs.19680.34 Crores.
- ❖ The Commission has allowed recovery of the entire gap in revenue with additional revenue of Rs.1076.46 Crores on Tariff Revision as against the additional revenue of Rs.2302.93 Crores proposed by the BESCOM for FY19.
- ❖ BESCOM in its filing dated 30.11.2017 had proposed an increase of 82 paise per unit for all categories of consumers resulting in average increase in retail supply tariff by 13.25%. The Commission has approved an average increase of 38 paise per unit. The average increase in retail supply tariff of all the consumers for FY19 is 5.93%.
- ❖ The Commission has allowed recovery of additional revenue partly by increase in fixed charges ranging from Rs.5 per KW/HP/KVA to Rs.22 per KW/HP/KVA.
- ❖ The Commission has allowed recovery of additional revenue partly by increase in the energy charges in the range of 15 paise per unit to 30 paise per unit.
- ❖ The increase in the energy charges for Domestic category for all units is 25 paise per unit.
- ❖ The increase in the LT industries category is in the range of 20 paise per unit to Rural areas and 25 paise per unit to Urban areas and for other categories, the increase is in the range of 15 paise per unit to 30 paise per unit.
- ❖ The increase in the energy charge for HT industry and HT commercial category, is in the range of 20 paise to 25 paise per unit.

- ❖ 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 with the inclusion of morning peak period from 06.00 Hrs to 10.00 Hrs is continued in this Order except for BMRCL and Railway Traction Installations.
- ❖ The Commission in order to boost the energy sales and to attract the consumers to consume power from ESCOMs has decided to introduce Special Incentive Scheme to HT category, as follows:
  - *The Commission has decided to offer Special Incentive of Rs.2/- per unit as incentive for the energy consumption made during night hours from 22.00 Hours to 6.00 Hours (Next Day) off-peak period, to those HT consumer who opt for special incentive scheme.*
  - *For the consumption between 10.00Hrs to 18.00Hrs over and above the base consumption of FY18, a reduction of Rs.1/- per unit is allowed as special incentive, to those HT consumer who opt for the special incentive scheme.*
- ❖ **The Commission, has allowed concessional tariff of Rs.5.00 per unit to the BMRCL.**
- ❖ **The Commission, has allowed concessional tariff of Rs.6.00 per unit to the Railway Traction installations.**
- ❖ The Effluent Treatment Plant and Drainage Water Treatment Plants installed within the premises of the consumer's installations by drawing power from the main meter or through sub-meter shall be billed at the respective tariff category for which the power supply is availed for the installation.
- ❖ The Commission by considering the environmental and social benefits in processing of the Solid Waste has decided to bill the power supply arranged to Solid Waste Processing Plant under LT/HT Industrial Category.
- ❖ The Commission has introduced new sub-category of LT-6(c) under LT -6 Tariff Schedule for the power supply arranged to the Electric Vehicle Charging Stations, at reduced rates.
- ❖ Green tariff of additional 50 paise per unit over and above the normal tariff, which was introduced a few years 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, as decided in the previous tariff Order, has decided to continue to impose penalty upto Rs.one lakh per subdivision on BESCO if it fail to conduct Consumer Interaction Meetings at least once in three months and such penalty would be payable by the concerned officers of the BESCO.

### ORDER

1. In exercise of the powers conferred on the Commission under Sections 62 and 64 and other provisions of the Electricity Act, 2003, the Commission hereby determines and notifies the retail supply tariff of BESCO for FY19 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 2018.
3. This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission at Bengaluru this day, the 14<sup>th</sup> of May, 2018.

-Sd-

(M.K.Shankaralinge Gowda)  
Chairman

-Sd-

(H.D. Arun Kumar)  
Member

-Sd-

(D.B. Manival Raju)  
Member