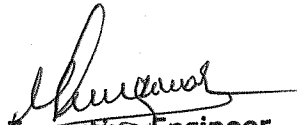


CHAPTER-4

Rationale for ERC

Filing



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CHAPTER-4

Rationale for ERC Filing

GESCOM is filing this ARR & ERC under MYT principles for **FY-23 to FY-25** with the following imperatives.

4.1. ERC Filing Requirement

In terms of Section 27 of the KERC and the Tariff Regulation -2000 (with amendments) framed by the Honourable Commission, the licensee is required to file its Expected Revenue from Charges not later than four months before the commencement of the financial year i.e., on or before **30.11.2021** for the ensuing financial year commencing from **1st April, 2022**. The Expected Revenue from charges and Revision of Retail Supply Tariff for **FY-23 to FY-25** is herewith submitted.

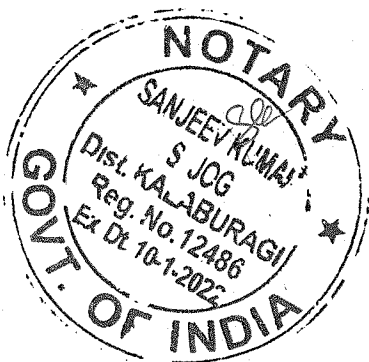
The formats prescribed in KERC (Tariff) Regulations are enclosed with this petition. The details are furnished in respect of ERC filing for the year **FY-23 to FY-25**. The details of the revenue anticipated and the expenditure assessed for **FY-23 to FY-25** is detailed in the following paragraphs.

Hon'ble Commission vide Ltr. No. KERC/B/02/21/807 Dated 24-09-2021 has intimated to file the Application for Annual Performance Review FY 21 and Revision of Annual Revenue Requirement/Tariff for FY-23 on or before **30.11.2021**.

The information provided for the year **FY-21** is as per the Audited Financials. The information provided for the financial year **FY-22** is considered on 1st half of FY-22 and revised for the **FY-22**. The Hon'ble Commission is therefore requested to consider these figures. The licensee most respectfully submits that it has made sincere efforts to comply with the requirements of the KERC (Tariff) Regulations with the information currently available.

4.2 Revenue insufficient to Cover Costs in FY-23.

Based on the Tariff order-2021 and subsequent amendments, GESCOM is unable to meet its expenses for FY 23 as there is a deficit of Rs 1816.14 crs including Regulatory assets, & carrying cost of previous years.



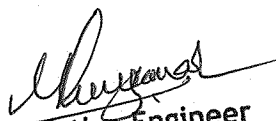
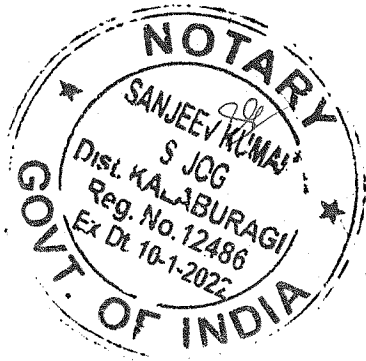

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Table-68
Cost Coverage / Deficit
Rs in Crs.

Sl. No	Particulars	FY-21 Actuals	FY-22 Revised	FY-23 projected	FY-24 projected	FY-25 projected
1	Revenue from Existing Tariffs (including Misc. Revenue & Other Income)	5178.8	5744.96	6011.88	6236.58	6478.02
2	Expenditure	5281.92	5801.24	6418.62	6706.45	6933.34
3	Rate of Return at 15.50 % on equity and surplus for FY21	0	0	0	0	0
4	Deficit (-) with existing tariffs	-1169.9	13.8	-1816.94	0	0
5	Subsidy receivable from GoK	1206.61	0	0	0	0
6	Other Income	103.12	56.29	57.74	59.26	60.83
6	GAP (Sl.No 2-1)	103.12	56.28	406.74	469.87	455.32
7	Met by Tariff Hike	-	-	236		

Note: Gap of FY23, is arrived after considering carrying cost on Regulatory assets, and deficit of FY-21 for proposing the Tariff hike of 236 Paise per unit including fixed charges for all category installations in the **FY 23**.



[Signature]
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