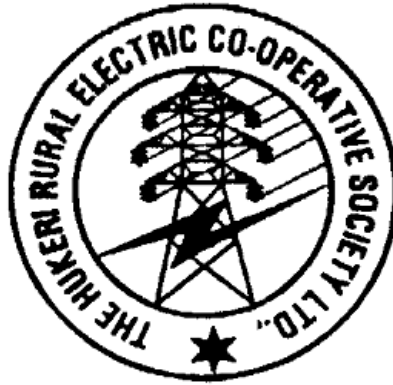
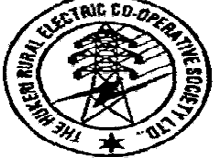


**THE HUKERI RURAL ELECTRIC CO-OPERATIVE
SOCIETY LTD., HUKERI**



**Application for redetermination of ARR and
Tariff Application for FY-18**

Registered Office,
HUKERI
Hukeri Taluka
Belagavi Dist-591309
Karnataka State



**THE HUKKERI RURAL ELECTRIC CO-OPERATIVE
SOCIETY LTD., HUKKERI - 591 309.**

Dist.:BELGAUM. [Karnataka State]

ಹುಕ್ಕೇರಿ ಗ್ರಾಮೀಣ ವಿದ್ಯುತ್ ಸಹಕಾರಿ ಸಂಘ, ನಿರಯಮಿತ.

ಹುಕ್ಕೇರಿ - ೫೯೧೩೦೯.

ಜಿಲ್ಲೆ : ಬೆಳಗಾವಿ (ಕರ್ನಾಟಕ ರಾಜ್ಯ)

☎ : Gen.: 265030
M.D. (R) : 265632
Fax : 08333-265677
Grams : RELCOOP

KST - 5190190-0
CST - 5195190-3
w.e.f.7-10-1970

Regd No.AR/BG/456/69 dt.31-7-69
Licence No.PWD/115/EIG/69 dt.19-11-69
Licence No.KERC order dt.11-09-2001

Ref. No.:

Accts/2016-17/

Date:

To,

The Receiving Officer

Karnataka Electricity Regulatory Commission

6th & 7th Floor, Mahalaxmi Chambers,

No-9/2, M.G.Road,

Bengaluru - 560001,

Sir,

Sub:- Submission of Revised ERC for FY-18 and
Retail Tariff Application for FY-18

We are herewith submitting the ERC for FY-18 and Retail Tariff Application for FY-18 of our Society in six sets with Affidavit supporting the same & one soft copy of the same for kind consideration & approval of the Hon'ble Commission.

Yours faithfully

Sd/-

Encl: Demand Draft

Managing Director

Tariff Filing for FY-18 & Approval of ARR & ERC 2018

Sl No.	Particulars	Page No.
1	Affidavit	1
2	Tariff Application for FY-18 and Approval of ARR & ERC 2018	3
3	Introduction	3
4	Statutory Adherence	4
5	Brief set of facts	5
6	Profil	6
7	Compliance to Commission directives	14
8	Annual Reveiw performance	20
9	Energy input at inter points	20
10	Sale forecast	20
11	Number of Installations	21
12	Energy sales	23
13	Energy requirements	25
14	Revenue from sale of Power	26
15	O & M costs	27
16	Depreciation	27
17	Interest charges	25
18	Other Debits	30
19	Return on Equity	30
20	Power purchase	31
21	Capital works programme	32
22	Annual Revenue Requirements	33
23	Sectorial Energy forecast	31
24	Annual Revenue Requirment FY-17 & FY-18	46
25	Surplus/Deficit	48
26	Tariff Revision proposals	48
27	Prayer	59
28	Electrical Power Tariff FY-2018	61
29	Statement Showing transformer failure & MNR Meter	91
30	Avarage Run of IP set per day	92
31	Distribution of Loss	93
32	Capital Outlay	94
33	Profit & Loss Accounts	95
34	Balance Sheet	96

35	Cash flow statement	97
36	Revenue requirement	98
37	Cost of power purchase	100
38	Revenue from sale of Power	103
39	Revenue subsidies & Grants	105
40	Non-Tariff Income	106
41	Repair & Maintenance	107
42	Employees cost	108
43	Administration & General Charges	109
44	Depreciation charges	110
45	Loan, Debentures & Interest Charges	112
46	Sale & lease Back of Assets	114
47	Interest on Working Capital	120
48	Expenses capitalised	121
49	Other Debits (Consumer security deposit)	122
50	Extra Ordinary Items	123
51	Contribution Grants & Subsidies towards cost of capital Assets	125
52	Gross fixed Assets	127
53	Net fixed Assets	129
54	Work in Progress	131
55	DCB 2015-16	132
56	Energy Flow Digram	133
57	Commercial loss identified	132
58	Existing Tariff & Proposed Tariff	134
59	Revenue at existing & proposed tariff for FY 2018	140

TABLES OF ERC FORMS

Form No.	Particulars	Page No.
A1	Profit & Loss Account	95
A2	Balance Sheet as at the end of the year	96
A3	Cash flow Statement for the year	97
A4	Annual requirement	98
A5	Revenue requirement capital base	99
D1	Cost of power purchase with Annexure	100-102
D2	Revenue from sale of power	103-104
D3	Revenue from subsidies and grants	105
D4	Non-tariff income	106
D5	Repairs and maintenance cost	107
D6	Employee cost	108
D7	Administration and General Charges	109
D8	Depreciation	110-111
D9	Loans and debentures and interest Charges	112-116
D9A	Sale and leaseback assets	117-119
D9C	Interest on working capital	120
D10	Details of expenses capitalized	121
D11	Other debits Interest on Security Deposit	122
D12	Extra ordinary items	123-124
D14	Contributions, Grants and subsidies towards cost of capital assets	125-126
D15	Gross fixed assets	127-128
D16	Net fixed assets	129-130
D17	Work in progress Distribution	131
D18	DCB for year 2015-16	132
D19	Energy flow Diagram	133-134
D19A	Commercial Losses Identified and Assessed	135-136
D20	Existing & Proposed Tariff	137-139
D21	Revenue at existing & propose tariff of 2018	140-151

Tariff Filing for FY-18 & Approval of ARR & ERC 2018

ABBREVIATION USED

AEH	All Electric Home
A&G	Administrative & General Expenses
APDRP	Accelerated Power Development & Reform Program
ATL	Anti Theft Law
ATP	All Time Payment
BJ/KJ	Bhagya Jyothi/Kutir Jyoti
CGRF	Consumer Grievance Redressal Forum
CAGR	Compounded Annual Growth Rate
CMCs	City Municipal Corporations
Commission	Karnataka Electricity Regulatory Commission
Cr.	Crores
ERC	Expected Revenue from Charges
DB	Distribution Business
ESCOM	Electricity Supply Company
FY	Financial Year
GFA	Gross Fixed Assets
GoK	Government of Karnataka
GoI	Government of India
HESCOM	Hubli Electricity Supply Company Limited
HRECS	Hukeri Rural Electric Co-Op. Society Ltd., Hukeri
Hrs	Hours
HT	High Tension
IP	Irrigation Pump Sets
JRCS	Joint Registrar of Co-operative Society's
IT	Income Tax
KERA	Karnataka Electricity Reform Act 1999
KERC	Karnataka Electricity Regulatory Commission
KJ	Kutir Jyothi
KPTCL	Karnataka Power Transmission Corporation Limited
KV	Kilo Volt
KVA	Kilo Volt Ampere
KW	Kilo Watt
KWh	Kilo Watt Hour
LDC	Load Despatch Centre
LT	Low Tension
MOU	Memorandum of Understanding
MRT	Meter and Relay Testing
MYT	Multy Year Tariff
MU	Million Units
MUSS	Master Unit Sub-station
MW	Mega Watt
NFA	Net Fixed Assets
O&M	Operation & Maintenance
PT	Professional Tax
RGGY	Rajieeva Gandhi Grammin Vidyudhikaran Yojana
REC	Rural Electrification Corporation
R&M	Repair & Maintenance
RoE	Return on Equity
RSB	Retail Supply Business
TC	Transformer Centre
T&D	Transmission & Distribution
TMC	Town Municipal Corporation

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION AT
BENGALURU**

FILE NO. _____

CASE NO. _____

IN THE MATTER OF:

**APPLICATION UNDER SECTION 62 OF THE ELECTRICITY ACT, 2003 READ WITH
KERC (TARIFF) REGULATIONS, 2000 AND REGULATION 2.3 OF KERC (TERMS
AND CONDITIONS FOR DETERMINATION OF TARIFF FOR DISTRIBUTION AND
RETAIL SALE OF ELECTRICITY) REGULATIONS, 2006 FOR DETERMINATION OF
AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY-18 AND TARIFF FILING
FOR FY-2018.**

AND

IN THE MATTER OF:

**HUKERI RURAL ELECTRIC CO-OPERATIVE
SOCIETY LIMITED**

HUKERI TALUKA, BELAGAVI DIST - 591 309

...APPLICANT

AFFIDAVIT

I, Sanjaykumar Pujari, son of Siddappa Pujari, aged about 49 years working as Managing Director of the Applicant and residing at Hukeri, do hereby solemnly affirm and state on oath follows.

1. I am the Managing Director of the Applicant HRECS and I am duly authorized by the said Applicant to make this affidavit. I am conversant with the facts of the matter and hence I am competent to depose to this Affidavit.
2. The averments made in paragraphs 1 to 26 of the Application accompanying this Affidavit, herein now marked with letter "A" are true to the best of my knowledge, information and belief.
3. I further say that the statements made and data presented in the aforesaid Application are true to the best of my knowledge, as per records of the Applicant Society and based on estimations. Further, to my knowledge and

belief, no material information has been concealed in the aforesaid Application.

Solemnly affirmed at Hukeri on this 30th Day of November 2016 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.

Place: Hukeri

DEPONENT

Date : 30-11-2016

Identified by me:

'A'

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION AT
BENGALURU**

FILE NO. _____

CASE NO. _____

IN THE MATTER OF:

**APPLICATION UNDER SECTION 62 OF THE ELECTRICITY ACT, 2003 READ WITH
KERC (TARIFF) REGULATIONS, 2000 AND REGULATION 2.3 OF KERC (TERMS
AND CONDITIONS FOR DETERMINATION OF TARIFF FOR DISTRIBUTION AND
RETAIL SALE OF ELECTRICITY) REGULATIONS, 2006 FOR DETERMINATION OF
AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY-18 AND TARIFF FILING
FOR FY-18.**

AND

IN THE MATTER OF:

**HUKERI RURAL ELECTRIC CO-OPERATIVE
SOCIETY LIMITED**

HUKERI TALUKA, BELAGAVI DIST - 591 309

...APPLICANT

**MEMORANDUM OF APPLICATION UNDER SECTION 62 OF THE ELECTRICITY ACT,
2003 READ WITH KERC (TARIFF) REGULATIONS, 2000 AND REGULATION 2.3 OF
KERC (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF FOR
DISTRIBUTION AND RETAIL SALE OF ELECTRICITY) REGULATIONS, 2006 FOR
DETERMINATION OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY-18
AND TARIFF FILING FOR FY-18.**

The Applicant above-named most respectfully submits as under:-

1. Introduction

- 1.1.** The address of the Applicant for the purposes of summons and notices and like purposes is as per the cause title, shown above.

2.0 Statutory Adherence

- 2.1. Hukeri Rural Electric Co-operative Society Limited (hereinafter called as the “**Applicant**” or “**HRECS**”) is submitting this application for determination of revised Aggregate Revenue Requirement, Expected Revenue and tariff application for FY-18, under Section 62 of the Electricity Act, 2003 (hereinafter called as the “**Act**”) read with KERC (Tariff) Regulations, 2000 and Regulation 2.3 Of KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006 (hereinafter called as the “**MYT Regulations**”) read with KERC (Tariff) Regulations, 2000, for the kind consideration and approval of the Hon'ble Commission.
- 2.2. In this Application, the Applicant has sought to diligently follow the principles and guidelines laid down in the conditions of License for Distribution and Retail Supply of Electricity granted to the Applicant by the Hon'ble Commission, the Electricity Act, 2003, MYT Regulations, Tariff Orders and various directions issued by the Hon'ble Commission from time to time. The Applicant is filing this application before the Hon'ble Commission, under the MYT Regulations, for the kind consideration and approval of the Hon'ble Commission.
- 2.3 The projected numbers are based on actual audited accounts for the period ending FY -16, the actual unaudited figures from 01-04-2016 up to 30th September 2016 and projected for the period from 1-10-2016 upto 31-03-2017; and they have been duly adjusted for growth in income, changes in expenses and also changes in assets and liabilities as per the expectations of the HRECS. In the course of validation by the Hon'ble Commission, the HRECS will provide the necessary updated information, if and when required. The projections for FY-18 have been arrived as per CAGR from FY - 13 to FY - 16 and actual numbers for the period ending 30th September 2016 in the current year (FY17) and projections from 1-10-2016 to 31-03-2017 based on the past and current year growth. However, the income on sale of power has been estimated at

the current tariff structure. During the course of the validation by the Hon'ble Commission, the Applicant will provide the necessary updated information, if sought by this Hon'ble Commission.

- 2.4 A draft copy of this Application along with proposal for modification of tariff were placed before the Board of the HRECS, in its meeting held on 28th November 2016 and the Board of the HRECS approved the same. The Board of HRECS has also authorized the Managing Director of the HRECS to sign and submit the same before the Hon'ble Commission, in accordance with the applicable Regulations of the Hon'ble Commission. The Board of the HRECS also authorized the Managing Director of the HRECS to take such steps as may be necessary and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the HRECS and also delegated all above powers to the Managing Director and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of implementing the same.

3.0 Brief set of Facts

The HRECS is a holder of Retail Supply License granted by the Hon'ble Commission, under Section 14 of the Act, for carrying out the business of retail supply of electrical energy, within Hukeri Taluk and partial part of the Chikodi Taluka and Belagavi Taluka of Belagavi District of Karnataka State, as more fully described in the said license itself.

4.0. Tariff Data

The data for the years from FY- 13 to FY - 16 are based on audited accounts. The data for the FY 2017 are based on the actuals up to 30th September 2016 and estimation from 1st October 2016 to 31st March 2017. The projections for FY-18 have been arrived as per CAGR from FY - 13 to FY - 16 and actual numbers for the period ending 30th September

2016 in the current year (FY17) and projections from 1-10-2016 to 31-03-2017 based on the past and current year growth. However, the income on sale of power has been estimated at the current tariff structure. During the course of the validation by the Hon'ble Commission, the Applicant will provide the necessary updated information, if sought by this Hon'ble Commission.

5.0. Profile

The applicant HRECS is the only Rural Electric Cooperative Society in the State of Karnataka serving about 84784 members spread over about 991.49 sq. km under the license granted to the HRECS by the Hon'ble Commission, under Section 14 of the Act and catering the needs of 116,958 installations. Further, energy consumed for the period ending 31-03-2016 was 264.36 MU. In the distribution networks of the Petitioner there existed 2038 Distribution Transformers as on 31-03-2016. Further, Petitioner's Asset swelled to Rs. 6633.54 lakh on 31-03-2016.

5.1. Consumer Profile as on 31st March, 2016

TABLE 1: Consumer Profile

Sl. No.	Tariff Category	Number of Installations
1.	LT-1	12383
2.	LT - 2 (a)	71419
3.	LT - 2 (b)	76
4.	LT - 3	5570
5.	LT - 4 (a)	24283
6.	LT - 4 (b)	9
7.	LT-4 (c)	2
8.	LT - 5	2140
9.	LT - 6 (Water Supply)	609

10.	LT -6 (Public lighting)	366
11.	LT -7 (Temporary)	70
	LT Sub Total	116927
12.	HT-1	6
13.	HT-2 (a)	11
14.	HT - 2 (b)	5
15.	HT - 2 (c)(i)	3
16.	HT - 2 (c)(ii)	2
17.	HT - 3	4
	HT Sub Total	31
	GRAND TOTAL	116,958

5.2 Brief History of the Applicant HRECS

The Applicant HRECS is incorporated under the provisions of the Karnataka Co-operative Societies Act, 1959, as a Co-operative Society and was one of the five pilot Rural Electric Co-operative Societies established on 21-07-1969 through Rural Electrification Corporation Limited (REC), New Delhi, as per the decision of the Government of India and based on sponsorship from United States Agency for International Development (USAID) in collaboration with National Rural Electric Cooperative Association (NRECA), of the United States of America.

- 5.2.1.** HRECS was the first Rural Electric Cooperative Society to be registered in India and is the only one working in Karnataka State.
- 5.2.2.** Initially, the Government of Karnataka (GoK) granted the license for distribution of electricity to the HRECS on 12-10-1970, under the provisions of the Electricity Act, 1910. Since then, the HRECS is engaged in the distribution of electricity to Hukeri Taluka. Thereafter, KERC was constituted under the Karnataka Electricity Reform Act, 1999 (hereafter

referred to as '**the KER Act**'). The HRECS was granted the license initially for a period of five years, in October, 2001. After coming into force of the Act in 2003, KERC, by its order No. L/1/06 dated 14th November, 2006, granted the licence for distribution of electricity within its licenced area for a period of twenty five (25) years from 19th October, 2006, under the provisions of the Act.

5.3. Assets

The HRECS at the time of its constitution (in the year 1970) purchased assets worth Rs. 45.77 Lakhs from the then Karnataka Electricity Board (KEB). The present assets, as on 31st March, 2016 held by the HRECS are worth about Rs. 6633.54 lakh.

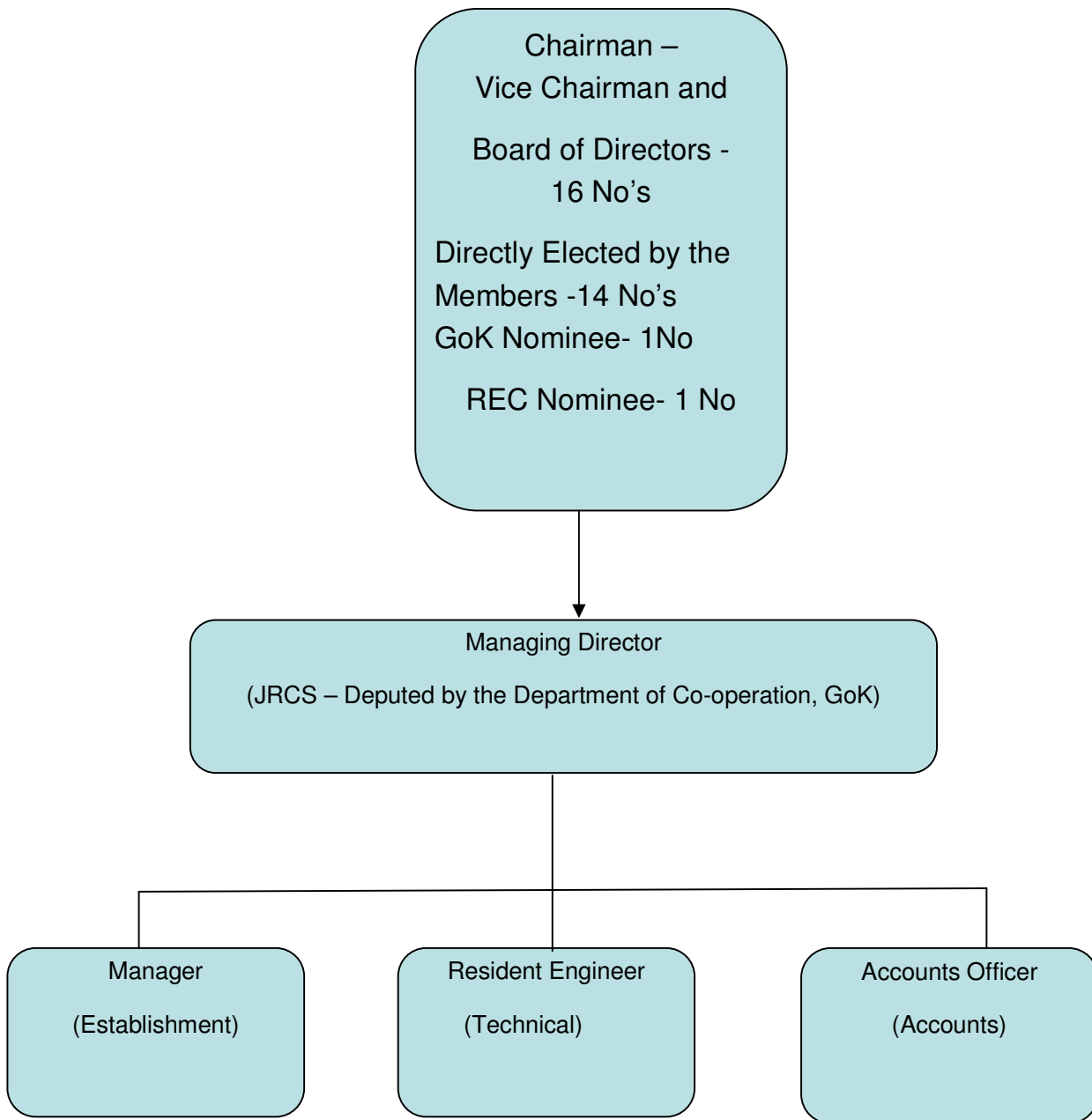
5.4. Membership

As per the Bye-laws of the HRECS, every consumer should be a member of the HRECS by holding at least one fully paid up equity share of face value of Rs.100/- each. Presently, as on 31st March 2016 there are 84,784 members who have paid the share amount of Rs. 5.95 crores.

5.5. Work Division

Hukeri Taluka, the distribution area of the HRECS is divided in the following divisions each headed by a Section Officer:

1. Hukeri-I
2. Hukeri-II
3. Sankeshwar
4. Yamakanamaradi
5. Hidakal Dam
6. Kanagala
7. Hebbal
8. Sultanpur
9. Bellad Bagewadi



5.6. Master Unit Sub Stations (MUSS)

The total connected load of the HRECS is around 188 MW. To meet this demand the following Sub Stations are functioning at Hukeri:-

1. Hukeri - 1 No. x 10 MVA Transformer – 110 / 11 kV Sub-station
1 No. x 20 MVA Transformer – 110 / 11 kV Sub-station
2. Hidakal Dam-1 No. x 10 MVA Transformer – 110 / 11 kV Sub-station
1 No. x 20 MVA Transformer – 110 / 11 kV Sub-station
3. Sankeshwar- 1 No. x 10 MVA Transformer – 110 / 11 kV Sub-station
1 No. x 20 MVA Transformer – 110 / 11 kV Sub-station
4. Hattaragi - 2 Nos. x 10 MVA Transformers – 110 / 11 kV Sub-station
5. Shiragaon-2 Nos. x 10 MVA Transformers – 110 / 11 kV Sub-station
6. Daddi-2 Nos. x 10 MVA Transformers – 110 / 11 kV Sub-station
7. Kanagala - 2 No. x 5 MVA Transformers – 33 / 11 kV Sub-station
8. Hebbal - 2 No. x 5 MVA Transformers – 33 / 11 kV Sub-station

5.7. Distribution Transformer Centres (DTCs)

There are about 2038 number of DTCs with various capacities as on 31st March, 2016.

5.8. Consumer Friendly Measures

- a) The Applicant is having a website of its own (www.hreecs.com) and established email communication facilities with its email id hukeriruralele@yahoo.co.in / hukeri.recs@gmail.com.
- b) Consumers can approach the Section Officers of the HRECS at the following phone numbers, which are made available to the consumers:

Sl. No	Name of the Section	Phone Number
1.	Hukeri-I, Hukeri-II	08333 – 265030
2.	Sankeshwar	08333 – 273396
3.	Yamakanmaradi	08333 – 276245
4.	Hidkal Dam	08333 – 263230
5.	Kanagala	08333-279230
6.	Hebbal	08333-275030
7.	Sultanpur	08333-258230
8.	Bellad Bagewadi	08333-267230

5.9. Employees Strength

In 1986, the Joint Registrar of Co-operative Society (JRCS) of the Government of Karnataka sanctioned 227 permanent posts for HRECS, besides temporary staffs. The present permanent Working Staff strength in HRCES as on 31 March 2016 is about 140 and Temporary staff numbering 153. Thus strength of the staff is 293 as on 31 March 2016.

It is submitted that in 1986, there was one 110/11 kV sub-station and two sub-stations of 33/11 kV capacity. Presently, the power requirements of the HRECS have been catered by six 110/11 kV and two 33/11 kV substations. The total number of consumers in 1986 was about 30,000, which is now tripled. Now the Society is taking steps to recruit more staffs for rendering better services to consumers. In this connection, it is respectfully submitted that the management of the Hukeri Society is in the process of recruitment 104 employees as regular staff and accord permanency for temporary staff which will have an additional burden of Rs.1.85 Crores for the year FY18 which is requested to be allowed as an additional expenditure in the Revenue Requirement for FY18.

5.10 Collection, Billing and Vigilance

The HRECS has an efficient collection and billing mechanism. The Society has established 25 Bill Collection centres for facilitating the consumers. This mechanism has improvised with introduction of Spot Billing System. All Time Payment (ATP) machines are installed in Hukeri, Sankeshwar Town, Yamakanmardi and Paschapur Villages. Besides all these bill collection facilities, the HRECS has also introduced mobile bill collection facility.

5.11 Vigilance Activity:

It is submitted that under first proviso to section 135(1A) of the Act, only such officer of the licensee or supplier, as authorised for the purpose by the Appropriate Commission or any other officer of the licensee or supplier, as the case may be, of the rank higher than the rank so authorised shall disconnect the supply line of electricity, on detection of theft of electricity.

The Hon'ble Commission vide its Notification, notified in Part III of Karnataka Gazette dated 3-6-2010 at page 2279 and issued under Section 135(1-A) of the Act authorised the officials of ESCOMS only to disconnect the supply of electricity to any premises upon detection of theft of electricity. In the said notification, the officers/employees of the HRECS have not authorised to disconnect the power supply in case of detection of theft of electricity. Hence, the HRECS is handicapped from executing the vigilance activities effectively. Hence, the HRECS prays the Hon'ble Commission to authorise the officials of the HRECS also to disconnect the power supply upon detection of theft. This matter was brought to the kind notice of Hon'ble Commission earlier. Therefore, at present, the Petitioner requests Hon'ble Commission for an early decision on the issue.

6 Power Purchase Agreement :

The HRECS is paying the Bulk Supply Tariff to Hubli Electricity Supply Company Limited (hereafter referred to as '**HESCOM**') as decided by the Hon'ble Commission, from time to time. The Society has already in the process of entering into a long term power purchase arrangement with

HESCOM, for which a draft Power Purchase Agreement (PPA) has already been submitted before the Hon'ble Commission for approval.

The Hon'ble Commission, vide order dated 14-02-2015 approved the draft PPA. The HRECS is on the process of executing PPA with HESCOM.

In this application, the power purchase cost is assumed as Rs. 3.9546 per unit assumed for FY 18 which is as approved by the Hon'ble Commission for FY 18 vide order dated 30 March 2016. The PPA is entered into between HESCOM and the Applicant.

- 6.1** Transmission charges are being included in the bulk supply tariff of HESCOM as approved by the Hon'ble Commission, from time to time.

7 Government of Karnataka (GoK) Support

- a) Of the total power consumption within the HRECS service area, about 75% of power is consumed by IP Sets (Agriculture). The cross subsidy element is also very less compared to consumer profiles of State owned ESCOMs. The actual tariff for IP Sets are as decided by KERC in its Order dated 30th March, 2016. In the said tariff order, the Hon'ble Commission determined tariff for IP Sets below 10 HP as Rs. 4.63 per unit supplied to IP Sets. The Society has been claiming Rs. 4.63 per unit of power supplied to IP Sets below 10 HP, as subsidy from GoK as per the Tariff Order dated 30-03-2016. GoK is releasing IP Set Subsidy on monthly basis, as per the provisional claims of the Society. The GoK has been releasing the balance of IP Set power supply cost as subsidy to the Society only after the annual performance review of the Society is carried out by the Hon'ble Commission, based on the audited accounts, audited earlier by the auditors of the Department of Co-operation, Government of Karnataka and from FY 13 onwards by the Chartered Accountants approved by the Department of Co-operation, Government of Karnataka.
- b) At present, a sum of Rs. 37.31 Crores is due from GoK towards IP Set subsidy and Rs. 13.11 lakhs subsidy towards electricity supplied to weavers, which were all accounted in the books of accounts of the HRECS, in its accounts for FY 16. The GoK is also yet to release a sum of Rs. 3.5812 crores on account of reimbursement of amount refunded to IP

Set consumers who paid the same before 31st March 2003, as per the GoK Policies, pertaining to the year 2001 to 2003, which is also accounted in the books of the HRECS.

8. DIRECTIVES OF THE HON'BLE COMMISSION AND STATUS OF THEIR COMPLIANCES.

i) Commission's Views:

The Commission has issued directives to service all new installations only after ensuring Electrical Equipment's in the consumer premises are as per Bureau of Energy Efficiency 5 star rating (Standard). Further the Commission has also issued directives that all new Street Light/High Mask installations including extension shall be serviced only with LED Lamps/Energy Efficient Lamps. The Commission has also issued directives to educate consumers regarding 5 star rated Electrical Equipments.

HRECS Compliance:

The Applicant Hukeri RECS respectfully submits before this Hon'ble Commission that the applicant has already started obeying the directives issue by the commission in this behalf.

ii Reduction in the Distribution losses:

In view of the obvious benefits in the introduction of HVDS in reducing distribution losses, the Commission had directed HRECS to implement High Voltage Distribution System in its jurisdiction by utilizing the capex provision allowed in the ARR for the year.

Commission's Views:

The Commission has taken note of the HVDS cost estimates submitted to the Commission by ESCOMs and has noted that the cost estimates were on a higher side and with a view to minimize the cost, the Commission has issued revised guidelines on 18th March, 2015 for implementation of HVDS in subdivisions having highest distribution losses, so that a higher loss reduction could be achieved on implementation of HVDS at a reasonable cost. The Commission reiterates its directive on implementation of HVDS and directs

Hukeri RECS to draw up an action plan implement it in its entire jurisdiction as per the guidelines without any further delay as the area of operation of the society is a compact one and it has not been able to reduce distribution losses. Hukeri RECS is also directed to submit its cost estimate for approval and thereafter report the progress /compliance in the matter to the Commission regularly once in a quarter.

HRECS Compliance:

Hukeri RECS had taken up preliminary survey on one IP set feeder for implementing of HVDS and it was also informed that the estimate would be prepared and DPR is submitted to Energy Dept. of GoK for releasing the grant for the project. In the meantime, the Government have asked to implement Deen Dayal Updhyaya Grama Jyoti Yojana. and therefore, Applicant HRECS has taken up the scheme costing Rs.7 Crores and e-tender notification has been issued.

iii Demand Side Management in Agriculture:

In view of the urgent need for conserving energy for the benefit of the consumers in the State, the Commission had directed Hukeri RECS to take up replacement of inefficient irrigation pumps with energy efficient pumps approved by the Bureau of Energy Efficiency, in its jurisdiction, at least in one Sub-Division.

Commission's Views:

The Commission observes that there is no quantifiable progress in implementation of Demand Side Management in Agriculture by Hukeri RECS and it appears that it is not serious in implementing the DSM measures. Hukeri RECS should give emphasis on implementation of DSM measures in its jurisdiction in order to conserve energy as well as precious water for the benefit of farmers. Hukeri RECS is directed to focus its attention on implementation of DSM measures by necessary coordination with all the stake holders concerned to take it forward.

The Commission during its review meetings with distribution licensees has been directing them to initiate DSM measures in one sub-division/taluk in order to assess the results of such measures.

M/s Energy Efficiency Services Limited (EESL), New Delhi, is executing a pilot project on demand side management in Agriculture in HESCOM, wherein it involves replacement of old Irrigation Pump sets by new energy efficient Pump sets. The Commission directs Hukeri RECS to expedite the implementation of DSM measures in its jurisdiction on similar lines of HESCOM, and submit compliance regarding the progress achieved to the Commission, within three months from the date of this order. Further, at the public hearing held on 24.03.2015 it was acknowledged by Hukeri RECS that it has received 16,000 CFL bulbs from KREDL for distribution to the consumers so as to encourage them to replace the current energy inefficient bulbs. Such distribution shall be expedited and the results of it shall be analyzed and reported.

HRECS Compliance:

The Hukeri RECS will study a pilot project implemented in HESCOM and simultaneously approaching to M/s Energy Efficiency Services Limited (EESL), New Delhi and will execute Demand Side Management(DSM).

Hukeri RECS has distributed 16,800 CFL bulbs to domestic consumers received from KREDL for replacement of current energy inefficient bulbs. Also, Hukeri RECS is encouraging domestic consumers for replacement of current energy inefficient bulbs by LED bulbs. Further, HRECS is awaiting allocation by KREDL for further implementation and appraise the Hon'ble Commission.

iv. Niranthara Jyothi – Feeder Separation:

The Commission had directed Hukeri RECS to implement Niranthara Jyothi Project in its jurisdiction and furnish monthly reports to the Commission regarding the progress of implementation.

Commission's Views:

The Commission notes that the progress achieved in implementation of NJY scheme by Hukeri RECS is not satisfactory and also it is not clear whether those ten feeders whose work is completed have been commissioned or yet to be commissioned. Hukeri RECS is directed to submit the latest progress and the analysis in respect of feeders already commissioned, indicating benefits accrued to the system in terms of reduction in failures of distribution transformers, improvement in tail-end voltage and improvement in supply/reduction in interruptions vis-à-vis the benefits envisaged in the DPR. Further, Hukeri RECS shall also ensure that NJY feeders are not tapped illegally for operating IP sets which would defeat the very purpose of feeder segregation scheme undertaken at substantial cost.

Further, it is noted that the energy consumed by the IP Sets could be more accurately measured at the 11 KV feeder level at the sub-stations after allowing for distribution system losses in 11 KV and LT system. Hukeri RECS is directed to report on a monthly basis, the total IP set consumption on the basis of data from agriculture feeder energy meters. Hukeri RECS is also directed to furnish feeder-wise IP set consumption based on feeder energy meter data to the Commission every month in respect of agriculture feeders segregated under NJY beginning from the month of April, 2015.

HRECS Compliance:

Till today 16 feeders are completed and commissioned and work in 1 feeder is nearing to completion. The Hukeri RECS has requested to CPRI, Bengaluru, for analysing of NJY feeders. The reports will be submitted after analysed by CPRI.

v. Optimizing Transformer Capacities:

The Commission directs that Hukeri RECS should undertake a systematic audit of transformer loads on a quarterly basis and ensure that transformers installed are of optimum capacity, keeping in view the load to be serviced.

Commission's Views:

The Commission observes that Hukeri RECS has not submitted the details of transformers for which capacities have been optimized so far in its jurisdiction and directs Hukeri RECS to submit the latest progress / current status in the matter. Even at the public hearing several consumers have expressed their dissatisfaction about disruptions caused by over loaded distribution transformers. The Commission reiterates its directive to Hukeri RECS to continue to ensure that the distribution transformers installed are of optimum capacity with regard to connected loads in order to reduce energy losses in the distribution system and to submit compliance of the same to the Commission regularly once in a quarter.

HRECS Compliance:

Hukeri RECS has installing additional distribution transformers on over loaded distribution transformers to reduce load and to maintain optimum capacity. During FY-16, installed 174 No's of various capacities of DTC's.

VI. Service Centers for Improved Responsiveness:

The Commission is of the view that in order to improve the services to consumers, the distribution licensees must suitably reorganize their field operations. The Commission is of the view that Hukeri RECS should introduce a system of 'Service Centres' manned by a group of 4-5 maintenance workers with appropriate transport facility to enable them to move to the affected areas quickly with necessary maintenance materials and equipment. The operational area and the level of maintenance work and complaints that can be attended to by the 'Service Centres' could also be appropriately defined. In view of the improved communication network in the rural areas, such Centres can function even in the rural areas very effectively. The maintenance crew in the Service Centres can also be utilized to keep a vigil over cases of unauthorized use of electricity and prevent theft of power by obtaining assistance from the local revenue or police authorities wherever necessary. The Commission directs that

Hukeri RECS shall introduce the system of adequately equipped 'Service Centres' and report the results of its operations along with details of additional expenditure to the Commission.

Commission's Views:

The Commission observes that, Hukeri RECS has not spelt out the details of action taken for establishing / strengthening of the Service Centers in each of its O & M units for dealing with complaints and directed the Hukeri RECS to establish Service Centers in each O&M section to effectively address the consumer complaints.

The Commission also directs the Hukeri RECS to initiate action to create a "Consumer Grievance Redressal Cell" to effectively deal with the grievances of the consumers in its jurisdiction without any further delay and report the compliance thereon to the Commission at the earliest.

HRECS Compliance:

The Hukeri RECS is establishing service center for dealing with consumer complaints. The area of operation of HRECS is only a Taluka. Hence, constitution of one CGRF will be sufficient. The HRECS has already sent the names of two of its officials to function as members of CGRF to be constituted by Hon'ble Commission and requested the Hon'ble commission to constitute CGRF by nominating a person in accordance with the KERC Regulations vide HRECS letter No.3668 dtd.13.12.2013. The Hon'ble Commission has cleared name for CGRF. The HRECS assures that the CGRF will start functioning immediately after due constitution of CGRF.

9. ANNUAL PERFORMANCE REVIEW (APR) FOR FY -16.

A separate application for Annual Performance Review (APR) for FY -16 is filed by the HRECS, for the kind consideration of the Hon'ble Commission along with the present petition.

10 Energy Input at interface points:

TABLE 2: Quantum of input energy at interface points

Year	Actual quantum of Input at Interface points (MU)	Percentage Growth over previous year
2011-12	228.21	10.82
2012-13	257.19	12.70
2013-14	270.36	5.12
2014-15	280.39	3.71
2015-16	311.46	11.08
Revised Estimate 2016-17	327.57	5.17
2017-18	347.16	5.98

The quantum of energy input and sales for the previous years are depicted in the above tables.

11 SALE FORECAST:

TABLE 3: Quantum of energy sales

Year	Actual quantum of Sales (MU)	Percentage Growth over previous year
2012-13	218.85	13.23
2013-14	229.12	4.69
2014-15	238.21	3.82
2015-16	264.36	10.98
2016-17	277.80	5.08
2017-18	294.52	6.02

Energy Sale and Growth Rate from FY- 13 to FY- 18 and the quantum of energy input and sales for the previous years are depicted in the above tables. Based on sale of previous years, the sale forecast for FY-18 is estimated applying CAGR formula in respect of metered categories considering average growth rate at 6.14% per annum.

12 Number of installations:

- 12.1 As per Regulation No. 2.5.2 of the MYT Regulations, the Annual Revenue Requirement (ARR) for Retail Supply Business shall be on the expected revenue from charges at the existing tariff. In order to estimate ERC, the accurate sale forecast is necessary. The energy sale for FY-18 depends upon the population, policies of the Government, the various schemes under implementation, the number of hours of supply available to consumers etc. These facts have an impact on growth of installations. Hence the HRECS has analyzed the growth of installations in the area of supply for the period from FY-13 to September-16. Due to various reasons, some of the installations across the categories are being dismantled. This fact is also considered in estimation of sale forecast. In order to have accurate sale forecast, year-end number of installations and total energy sold across the categories during respective year is reviewed to ascertain the growth. The number of installations and growth rate as per CAGR for the period from FY-13 to FY-17 are as follows (except LT1 BJ / KJ, the same has been assessed on realistic basis):

Table 4 : Number of Installations for FY 18

Tariff	FY13 in No's	FY14 in No's	FY15 in No's	FY16 in No's	FY17 in No's	Yn=	Yi=	n=5	CAGR	FY 18 in No's
						FY-17	FY-13			
Upto 18 units	533	6991	8685	10316	10425	0.33	1.20	1.06	6.28	11280
Above 18 units	0	1156	1502	2067	2042	0.50	1.36	1.17	16.60	2180
LT-1-BJ/KJ	533	8147	10187	12383	12467	0.50	1.22	1.11	10.63	13460
LT-2(a)(i) U	12614	12939	13205	13653	14040	0.25	1.11	1.03	2.71	14421
LT-2(a)(ii) R	55559	56256	56974	57766	58609	0.25	1.05	1.01	1.35	59397
LT -2(b) (i) U	39	36	38	40	41	0.25	1.05	1.01	1.26	42
LT -2(b) (ii) R	29	33	34	36	37	0.25	1.28	1.06	6.28	39
LT-3(i) U	2332	2397	2456	2574	2661	0.25	1.14	1.03	3.35	2750
LT-3(ii) R	2832	2849	2906	2996	3113	0.25	1.10	1.02	2.39	3188
LT-4(a)	22711	23336	23817	24283	25141	0.25	1.11	1.03	2.57	25788
LT-4(b)	9	9	9	9	9	0.25	1.00	1.00	0.00	9
LT-4©	2	2	2	2	4	0.25	2.00	1.19	18.92	5
LT-5	1875	1963	2041	2140	2233	0.25	1.19	1.04	4.47	2333
LT-6(a)WS	558	574	594	609	615	0.25	1.10	1.02	2.46	630
LT-6(b)STL	354	361	363	366	370	0.50	1.05	1.02	2.23	378
LT-7	39	124	114	70	70	0.25	1.79	1.16	15.75	81
LT Total	99486	109026	112740	116927	119410	0.25	1.20	1.05	4.67	122521
HT-1WS	4	4	4	6	7	0.25	1.75	1.15	15.02	8
HT- 2(a)	6	5	8	11	11	0.25	1.83	1.16	16.36	13
HT-2(b)	7	5	5	5	5	0.25	0.71	0.92	-8.07	5
HT-2(c) (i)	0	1	1	3	3	0.50	3.00	1.73	0.00	3
HT-2(c) (ii)	0	2	2	2	2	0.50	1.00	1.00	0.00	2
HT-3(a)(i)	4	4	4	4	5	0.25	1.25	1.06	5.74	6
HT total	21	21	24	31	33	0.25	1.57	1.12	11.96	36
LT+HT	99507	109047	112764	116958	119443	0.25	1.20	1.05	4.67	122558

Projection for FY-17 based on data of Apr-16 to Sep-16 actual & Oct-16 to Mar-16 projections are made on the basis of growth from Sep-15 to Mar-16 over Apr-15 to Sep-15

The number of installations for the above period is estimated as follows. (The abnormal variations in growth such as minus growth are avoided/not taken into account for further estimation). The installations for FY-18 as per CAGR formula are as follows:

CAGR is calculated as under:

Average of five year growth rates is indicated as per CAGR.

$$\text{CAGR} = \left\{ \frac{Y_n}{Y_i} \right\}^{1/(n-1)} - 1 \times 100$$

For estimating CAGR for the period FY-2013 to FY-2017

Y_n is the data pertaining to FY-2017

Y_i is the data pertaining to FY-2013 and $n=5$

13 Energy Sale:

In order to arrive at the estimated energy sale for the entire FY 2018, HRECS has made assumption that the number of consumers would increase as estimated in the above Table and power supply would be assumed to consumers in FY-18 is as follows:

- 1) 24 hours supply will be available to urban consumers;
- 2) 7 hours 3 phase and 6 hours single phase supply will be arranged to consumers in rural areas;

Note: The hours of power supply will change as per the instructions of SLDC / GoK norms.

- 3) Energy sale is closely linked with number of live installations in each category. HRECS has considered consumption pattern for a period of previous 4 years and growth as per CAGR of each category has been arrived except IP sets 10 HP and below and BJ/KJ. The assessment for these categories have been explained elsewhere in the Petition.

The energy sales from FY-13 to FY-16 and growth rate as per CAGR formula for FY-18 are as follows (Assessment for unmetered category is not based on CAGR):

Table 5: SALES UNITS ON CAGR

Tariff	FY13 in Units	FY14 in Units	FY15 in Units	FY16 in Units	FY17 in Units	Yn= FY-17	Yi= FY-13	n=5	CAGR	FY 18 in Units
						1/(n-1)	Yn/Yi			
LT-1-BJ (upto18 units)	2897	547531	973329	1515744	1676456	0.33	3.06	1.45	45.21	1813824
LT-1-BJ (Above 18 units)	0	407033	870658	876639	1042840	0.50	2.56	1.60	60.06	1113370
Total	2897	954564	1843987	2392383	2719296	0.50	2.85	1.69	68.78	2927194
LT-2(a)(i) U	6748782	7202247	7721899	8072260	8846805	0.25	1.31	1.07	7.00	9466223
LT-2(a)(ii) R	14245250	15084796	16438522	16960081	19403745	0.25	1.36	1.08	8.03	20962324
LT-2(b) (i) U	94557	103604	95025	107794	122504	0.25	1.30	1.07	6.69	130697
LT-2(b) (ii) R	32040	67892	33538	58647	59596	0.25	1.86	1.17	16.78	69598
LT-3(i) U	2239785	2381302	2467119	2753662	3168297	0.25	1.41	1.09	9.06	3455260
LT-3(ii) R	2684085	2940307	3315822	3584012	4025104	0.25	1.50	1.11	10.66	4454227
LT-4(a)	165011051	170174347	173086975	193683092	194560081	0.25	1.18	1.04	4.20	197309708
LT-4(b)	85128	30763	108064	55871	38379	0.25	0.45	0.82	-18.06	31448
LT-4©	9729	1746	2529	741	7449	0.25	0.77	0.94	-6.46	6968
LT-5(b)	4461852	4580726	4629559	4703496	5227522	0.25	1.17	1.04	4.04	5438649
LT-6(a)WS	5121311	5539840	5139107	5516307	6007214	0.25	1.17	1.04	4.07	6251671
LT-6(b)STL	2116835	2248168	2229874	2227560	2437984	0.25	1.15	1.04	3.59	2525613
LT-7	101021	93931	40160	52054	99626	0.25	0.99	1.00	-0.35	99280
LT Total	202954323	211404233	217152180	240167960	246723602	0.25	1.22	1.05	5.00	253128860
HT-1WS	4223722	4191706	4241938	4351684	4909781	0.25	1.16	1.04	3.83	5098047
HT-2(a)	5216014	5890000	7436560	8995823	12024235	0.25	2.31	1.23	23.22	14816210
HT-2(b)	940099	540266	583618	698099	723705	0.25	0.77	0.94	-6.33	677889
HT-2(c) (i)	0	46196	40156	59775	133540	0.33	2.89	1.42	42.45	190231
HT-2(c) (ii)	0	327107	334738	327665	345561	0.33	1.06	1.02	1.85	351941
HT-3(a)(i)	2227310	2160518	2206522	1364534	757923	0.25	0.34	0.76	-23.62	578877
SEZ	3292240	4559340	6219270	8394420	12180670	0.25	3.70	1.39	0	19680000
HT Total	15899385	17715133	21062802	24192000	31075415	0.25	1.95	1.18	18.24	41393195
LT+HT	218853708	229119366	238214982	264359960	277799017	0.25	1.27	1.06	6.14	294522055

LT-1 upto 18 units For 2018 estimation, 2017 year units/installation average 13.40 unit is considered.
 LT-1 above 18 units For 2018 estimation, 2017 year units/installation average 42.56 unit is considered.
 SEZ Commission approved units is considered for the 2018.

14 Energy requirement:

14.1 On the basis of energy sale estimated above and considering distribution loss/transmission loss, the energy requirement of the HRECS, for the Period of FY 18 is estimated. The following Table indicates energy requirement for the period from for FY 14 to FY 16 and depicts actuals as against approved by the Hon'ble Commission.

Table 6: Energy requirement for the previous period

Particulars	FY-14		FY-15		FY-16	
	KERC approved	Actual	KERC approved	Actual	KERC approved	Actual
Energy Purchase from HESCOM (MU) including Transmission loss	284.87	270.36	293.05	280.39	303.43	311.46
LESS Trans. Loss (MU)	-	41.24		42.18		47.1
Energy Sold (MU)	-	229.12		238.21		264.36
Distribution Loss (%)	15.00%	15.25%	14.75%	15.04%	14.75%	15.12%

Table 7: Estimation of Energy requirement for ensuing years 17 and 18.

Particulars	FY-17	FY-18
Energy Purchase from HESCOM (MU)	327.57	347.16
LESS Trans Loss (MU)	49.77	52.64
LESS Trans Loss %	15.19%	15.16%
Energy Available (MU)	277.80	294.52

14.2 Energy Requirement of the HRECS for the year FY-16 is based on actual audited accounts and revision for energy purchase as approved by the Honourable Commission has been estimated to be revised to 327.57 MU and 347.16 MU based on the CAGR of sales and grossed up with the estimated energy loss for FY 17 and FY18 respectively.

15 Revenue from sale of power:

Details of revenue category wise for FY 14, FY15, FY 16 are based on audited data and projected for FY 17 and FY 18 is based on the current tariff rate on sales as estimated and as detailed in the earlier para. Further, details are made out at format D2 annexed to the petition

15.1 Table 8: Abstract of Sales and Revenue for FY-14, FY -15, FY-16 are based on actual and revised for FY-17 and FY 18 at current Tariff.

Particulars	Actual FY-14	Actual FY-15	Actual FY-16	Revised estimate FY 17	Estimate FY 18
Sales in MU	229.12	238.21	264.36	277.80	294.52
Revenue incl. of misc. charges in Rs. Lakhs.	10624.98	12175.28	13017.20	13630.39	14578.12

16 O &M Costs:

The calculation of O& M cost is based on approval of this Honourable Commission for FY 17 and 18 and additional employee cost of Rs.1.85 Crores is factored for FY 18. The Following table indicates revised O&M cost as in the table below. Kindly refer Table 3.5 of the tariff order 30 March 2016 and the item under O&M cost is requested to be revised and revised proposal for the FY 2018 are as below:

Table:9 O &M Costs

Amount in INR Lacs

Sl.No	Particulars	Proposed FY18 in the last Petition	Approved bythe Commission for FY18
1	R& M Expenses	297.35	1387.72
2	Employee Cost	1,032.93	
3	Administrative and General expenses	111.30	
	Total	1,441.58	1387.72
Additional Employee Cost as detailed in Para 5.9			185.00
O&M Cost for FY 18 now requested			1572.72

Honourable Commission is requested to kindly revise O& M cost for FY 18 to Rs. 1,572.72 lakhs as licensee has only sought 185 lakhs as additional Employee Cost owing to proposed recruitment of 104 men and to accord permanency benefit also. Further the Applicant would like to undertake actuarial valuation of terminal benefit and the same will be brought to the notice of the Hon'ble Commission for any revision in the ARR if any.

17 Depreciation:

Honourable Commission is requested to allow approved deprecation for the year FY18 as approved in the tariff order dated 30 March 2016 which are as below.

The applicant requests to allow the approved depreciation for FY 18 as in the Tariff Order dated 30-03-2016 as detail below:

Table 10 : Depreciation

Amounts in Rs. Lakhs

Particulars	FY17	FY18
Buildings	0.94	0.94
Civil	1.38	1.38
Other Civil	0.01	0.01
Plant & Machinery	60.92	64.54
Line Cable Network etc.	71.71	75.23
Vehicles	1.91	1.91
Furniture	0.67	0.69
Office Equipment	4.15	4.29
Total	141.70	148.99
Less: Depreciation on Assets created out of Contribution & Grants	30.00	35.00
Approved depreciation by KERC	111.70	113.99

The Depreciation on assets created out of consumer contribution and depreciation on assets created by Government grants have not been charged. The Hon'ble Commission is requested to allow the approved depreciation for FY 18 amounting to Rs. 113.99 lakh

18 Interest Charges

18.1 Interest on Consumer Security Deposit:

TABLE 11:

(Rs. In Lakhs)

	FY -17	FY -18
Consumer Security Deposit at the beginning of the year	1270.55	1334.08
Interest per annum	90.64	95.17

18.2 As per KERC (Interest on Security Deposit) Regulations, 2005, the Applicant HRECS is liable to pay interest on Consumer Security Deposit at 'Bank Rate' prescribed by the Reserve Bank of India (**RBI**) from time to time. At present, for the purpose of this filing RBI Rate is taken as 8.75% which is subject to the RBI Bank Rate prevailing as on 1-4-2017.

18.3 Interest charges on Working Capital:

TABLE 12: Interest charges on working capital
Rs. in Lakhs.

Particulars	FY 17	FY 18
One-twelfth of the amount of O&M Exp.	104.77	131.06
Stores, materials and supplies 1% of Opening balance of GFA	66.34	69.09
One-sixth of the receivables	299.00	347.59
Total Working Capital	470.11	547.74
Rate of Interest (% p.a.)	11.75	11.75
Interest charges on Working Capital	55.24	64.36

18.4 The HRECS has estimated the total working capital requirement, for FY 18, in accordance with the provisions in MYT Regulations. Further, the said Regulations stipulate that the Rate of Interest on working capital shall be on normative basis and equal to the short-term Prime Lending Rate of State Bank of India as on 1st April of the year. Since the HESCOM is claiming interest on belated settlement of power purchase dues of HRECS. Due to delay in release of IP set subsidy the interest claimed on working capital may be allowed in full, without any deductions.

18.5 Banks in India have switched to Marginal Cost Lending Rate(MCLR) from Base Rate system from April 01, 2016. Banks may determine their actual lending rates on loans and advances with reference to the MCLR and by including such other customer specific charges as considered appropriate. Short-term Prime Lending Rate of State Bank of India is no

longer in existence. However, the HRECS has considered the interest rate at 11.75% for estimating the interest charges on working capital, for FY -17 & FY-18.

18.6 Interest and Finance Charges

TABLE 13:

Rs. In Lakhs.

Particulars	Projected in FY 17	Projected in FY 18
Interest on Working Capital	55.24	64.36
Interest payable on consumer deposits	90.64	95.17
Other Interest and finance charges	22.59	48.05
Total Interest & Finance Charges	168.47	207.58

The Hon'ble Commission may consider the proposed capital investment in the ARR for FY 17 and FY 18 for allowing interest & finance charges.

The Commission may approve interest charges to an extent of Rs. 207.58 Lakhs for FY -18,, subject to verification on APR.

18.7 Other Debits:

The HRECS is of the view that other debits & prior period expenses cannot be estimated over a three year period. The Applicant hereby seeks the liberty to file suitable proposal for consideration of such expenses as per actuals based on audited accounts during the Annual Performance Review.

19 Return on Equity (RoE)/:

19.1 The HRECS has considered Share capital for the purpose of computation of RoE and calculated the RoE at 15.5% and grossed up with normative Tax Rate of 30% which comes to 22.14% thus the RoE for the year would be Rs. 131.66 lakh for FY 17 and Rs. 142.73 lakh for FY 18

19.2 In earlier Tariff Orders total equity of the Society was considered as negative, after taking into account carry forward loss, without considering Gross Fixed Asset (GFA) and Debt- Equity Ratio as provided under Regulation 3.6 and RoE as provided under Regulation 3.9 of the MYT Regulations, as mandated by the Hon'ble Appellate Tribunal for Electricity, in its decision dated 17-9-2014 in Appeal No:46 of 2014 in Dr. Subrahmanya Bhat V/s KERC and another (Vide para 50 and 52 of the said decision). If the earlier approach of the Hon'ble Commission about denial of RoE in case of negation of net worth of the Society resulted in further deteriorated financial health of the Society. Hence, the HRECS request the Hon'ble Commission to revisit the issue in the light of the above said decision of the Hon'ble APTEL

20. POWER PURCHASE FOR FY-17, FY-18 and FY-19

20.1 The entire power requirement of the HRECS has been sourced from HESCOM. The estimated Power purchase cost of the HRECS for the FY 17, FY-18 are as follows.

TABLE 14: Power Purchase Cost

PARTICULARS	FY-17	FY-18
Units to be Purchased in MU	327.57	347.16
Price in Rs. per unit	3.88	3.96
Total Power Purchase cost (Rs. in lakhs)	13819.16	14863.72

The Honourable Commission had approved power purchase and cost including transmission charges in its order dated 30 March 2016 for 326.16 MU and at a cost of Rs.12898.32 lacs. However, the applicant desires to make a proposal for the revision in the approved quantum of power

purchase and accordingly cost also as detailed in D1 annexure which comes to 347.16 MU at IF point at a cost of Rs.14,863.72 lacs which may kindly be approved.

21. Capital Works Programme:

The Applicant in the ERC Filing for FY 17 to 19 had indicated a Capex Programme of Rs. 282.79 lakh and Hon'ble Commission had approved Capital works programme of the applicant for the year FY18 for the same amount. However, in this Tariff Filing the Applicant desires for an upward revision on account of Deena Dayal Upadhyaya Gram Jyoti Yojana and proposes to incur Rs. 989.86 lakh for FY 18 which may be kindly be approved. The details of the works are indicated in the following Table:

Table 15: Capital Works Programme

Rs. In lakhs

Sl.No.	Particulars	FY 18
1	H T lines	
	a) 11 KV lines	54.70
2	LT Lines	
	3 Phase 4wire	18.48
	Single Phase 3 wire	9.61
	Single Phase 2 wire	16.79
3	Transformer Centres	
	100 KV	22.55
	63/50KV	36.76
	25 KV	20.17
4	Service Connection	
	Agriculture LT	19.41
	Industrial LT	3.00
	Domestic	17.58
	Commercial	2.46
5	(A) Improvement Works	
	11 KV line	27.35
	100 KVA transformer Centre	22.55
	LT line 3phase 4 wire	18.48
	(B) DDUGJY Scheme	
	11 KV Line Feeder Separation	199.99

	11KV Line System Strengthening	75.48
	11 KV Line reconductoring	124.51
	Replacement of Single Phase electromechanical energy Meters by electro static energy meters.	273.77
	Replacement of three Phase electromechanical energy Meters by electro static energy meters.	26.22
		989.86

Interest on the revised requirement of loan consequent to increase in capex programme will be claimed on the basis of actual loan drawn in the year FY-18 and the same will be claimed at the time of APR for FY-18.

22. ANNUAL REVENUE REQUIREMENTS FY -17, FY-18

Table 16: ANNUAL REVENUE REQUIREMENTS (Rs. in Lakhs.)

	Details	FY-17	FY-18
1	Expenditure		
	Power Purchase	13819.16	14863.72
	R&M Expense	312.37	343.61
	Employee Expenses	819.84	1098.28
	A&G Expense	125.07	130.83
	Depreciation	111.70	113.99
	Advance against depreciation	Nil	Nil
	Interest & Finance Charges	22.59	48.05
	Less: Interest & other expenses capitalised	Nil	Nil
	Interest on consumer Deposit	90.64	95.17
	Interest on working capital	55.24	64.36
	Other Debits (including Provisions for Bad debts)	Nil	Nil
	Extraordinary Items	Nil	Nil
	Other (Misc.)-net prior period credit	Nil	Nil
2	Total	15356.61	16758.01
3	ROE @ 22.14%	131.66	142.73
4	Provision for taxes	Nil	Nil
	Sub Total	15488.27	16900.74
5	Other Income	171.70	180.28
	Annual Revenue Requirement (2)+(3)+(4)-(5)	15316.57	16720.46

23 **SECTORIAL ENERGY FORECAST FOR FY-17, FY-18.**

23.1 **Basis**

The audited accounts of the Society for FY-13, FY -14, FY -15 and FY -16 are available. For FY-17, the actual numbers up to 30th of September 16 were available and the numbers are calculated for estimating for the period from Oct-16 to Mar-17 are considered based on earlier numbers. For FY-18 the estimation of number of installations and energy sales are based on the CAGR growth achieved from FY-14 to FY-16.

The HRECS has made every effort to project only live installations in the statements, which is now being filed before the Hon'ble Commission. The figures currently furnished are true reflection of the HRECS's operation and consumer base.

The forecast is dealt in detail in each category in the following paragraphs.

23.2 **LT CATEGORY:**

23.2.1 **LT-1 category:**

Under this category, Bhagya Jyothi /Kutira Jyothi installations are coming under this category. After implementation of RGGY scheme within the service area of the Society, 10187 installations were serviced in this category, in FY- 16.

Table 17: LT -1 Installations

Upto 18 Units				
	FY-14	FY-15	FY-16	FY-17 Estimated
Installations (Nos)	6991	8685	10316	10425
Consumption (Units)	547531	973329	1515744	1676456

Increase in No. of Installations and consumption growth not considered as per CAGR formula. Consumption is calculated on average basis, is as follows

	FY-18
Installations (Nos)	11280
Consumption (Units)	1813824

Above 18 Units

	FY-14	FY-15	FY-16	FY-17 Estimated
Installations (Nos)	1156	1502	2067	2042
Consumption (Units)	407033	870658	876639	1042840

Increase in No. of Installations and consumption growth not considered as per CAGR formula. Consumption is calculated on average basis, is as follows

	FY-18
Installations (Nos)	2180
Consumption (Units)	1113370

23.2.2. LT-2 (a) Installations:

TABLE 18: LT-2 (a)(i) Urban Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	12939	13205	13653	14040
Consumption (Units)	7202247	7721899	8072260	8846805

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	2.71%	14421
Consumption (Units)	7.00%	9466223

TABLE 19: LT-2 (a)(ii) Rural Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	56256	56974	57766	58609
Consumption (Units)	15084796	16438522	16960081	19403745

Increase in No. of Installations and consumption growth as per CAGR formula as shown below.

	CAGR	FY-18
Installations (Nos)	1.35%	59397
Consumption (Units)	8.03%	20962324

23.2.3 LT-2 (b) Installations

TABLE 20: LT-2 (b)(i) Urban Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	36	38	40	41
Consumption (Units)	103604	95025	107794	122504

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	1.26%	42
Consumption (Units)	6.69%	130697

TABLE 21: LT-2 (b)(ii) Rural Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	33	34	36	37
Consumption (Units)	67892	33538	58647	59596

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	6.28%	39
Consumption (Units)	16.78%	69598

23.2.4 LT-3 Installations

TABLE 22: LT-3(i) Urban Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	2397	2456	2574	2661
Consumption (Units)	2381302	2467119	2753662	3168297

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	3.35%	2750
Consumption (Units)	9.06%	3455260

TABLE 23: LT-3(ii) Rural Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	2849	2906	2996	3113
Consumption (Units)	2940307	3315822	3584012	4025104

Increase in No. of Installations and consumption growth as per CAGR formula as shown below.

	CAGR	FY-18
Installations (Nos)	2.39%	3188
Consumption (Units)	10.66%	4454227

23.2.5 LT-4(a) Installations:

TABLE 24:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	23336	23817	24283	25141
Consumption (Units)	170174347	173086975	193683092	194560081

Increase in No. of Installations growth as per CAGR formula and consumption is on average basis as shown below.

	CAGR	FY-18
Installations (Nos)	2.57%	25788
Consumption (Units)	-	197309708

The monthly assessed consumption of IP sets are being estimated, as directed by the Hon'ble Commission, through metering of sample IP set meters.

For FY-18, The Honourable Commission had approved 7341 units per installations per year. The Applicant HRECS wish to bring to the kind notice of the Honourable Commission that in view of the great demand from the IP Set consumers on account of ground water deepening over the period and essentially farmers require more power and therefore the applicant respectfully submits before this Honourable Commission that the Applicant has estimated specific consumption per installation per year at 7651.22 units. However in the Petition, the Applicant submits that the consumption per installation per year may kindly be revised. Further the Applicant is in

the geographical area adjacent to HESCOM area. HESCOM's specific consumption per installation per year is 8631.14 as approved by the Commission. The Applicant request the Hon'ble Commission to allow the revised estimation in the interest of justice and equity and fair play.

23.2.6 :LT-4(b) & LT-4(c) Installations:

TABLE 25: LT-4(b) & LT-4(c) Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	11	11	11	13
Consumption (Units)	32509	110593	56612	45828

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	18.92%	14
Consumption (Units)	-12.26%	38416

23.2.7. LT-5 Installations:

[

TABLE 26: LT-5(b) Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	1963	2041	2140	2233
Consumption (Units)	4580726	4629559	4703496	5227522

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	4.47%	2333
Consumption (Units)	4.04%	5438649

23.2.8 LT-6(a): Water Supply Installations:

TABLE 27: LT-6(a) Water Supply Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	574	594	609	615
Consumption (Units)	5539840	5139107	5516307	6007214

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	2.46%	630
Consumption (Units)	4.07%	6251671

23.2.9 LT-6(b) Public Lighting Installations:

TABLE 28: LT-6(b) Public Lighting Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	361	363	366	370
Consumption (Units)	2248168	2229874	2227560	2437984

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	2.23%	378
Consumption (Units)	3.59%	2525613

23.2.10 LT-7 Installations:

TABLE 29: LT-7 Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	124	114	70	70
Consumption (Units)	93931	40160	52054	99626

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	15.75%	81
Consumption (Units)	-0.35%	99280

23.3 HT CATEGORY

23.3.1 HT-1 INSTALLATIONS

TABLE 30: HT-1 Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	4	4	6	7
Consumption (Units)	4191706	4241938	4351684	4909781

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	15.02%	8
Consumption (Units)	3.83%	5098047

23.3.2 HT-2 (a) Installations:

TABLE 31: HT-2 (a) Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	5	8	11	11
Consumption (Units)	5890000	7436560	8995823	12024235

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	16.36%	13
Consumption (Units)	23.22%	14816210

23.3.3 HT-2 (b) Installations:

TABLE 32: HT-2 (b) Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	5	5	5	5
Consumption (Units)	540266	583618	698099	723705

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	-8.07%	5
Consumption (Units)	-6.33%	677889

23.3.4 HT-2 (c) Installations:

TABLE 33: HT-2 (c)(i) Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	1	1	3	3
Consumption (Units)	46196	40156	59775	133540

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	0.00%	3
Consumption (Units)	42.45%	190231

TABLE 34: HT-2 (c)(ii) Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	2	2	2	2
Consumption (Units)	327107	334738	327665	345561

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	0.00%	2
Consumption (Units)	1.85%	351941

23.3.5 HT-3(a) Installations:

TABLE 35: HT-3(a) Installations:

	FY-14	FY-15	FY-16	FY-17
Installations (Nos)	4	4	4	5
Consumption (Units)	2160518	2206522	1364534	757923

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Installations (Nos)	5.74%	6
Consumption (Units)	-23.62%	578877

23.3.6 SEZ- Consumptions

TABLE 36: SEZ

	FY-14	FY-15	FY-16	FY-17
Consumption (Units)	4559340	6219270	8394420	12180670

Increase in No. of Installations and consumption growth as per CAGR formula as shown below

	CAGR	FY-18
Consumption (Units)	0.00%	19680000

23.4. Summary of Sale of Energy for FY-14, FY-15 , FY-16 and FY-17.

TABLE 37:

SL. No.	Category of consumer	Actuals for FY-14	Actuals FY-15	Actuals FY-16	Revised estimation for FY-17
	LT Installations				
1	Upto 18 Units BhagyaJyothi / KutirJyothi	547531	973329	1515744	1676456
	Above 18 Units BhagyaJyothi / KutirJyothi	407033	870658	876639	1042840
2	Domestic (All electric home & domestic lighting)	22287043	24160421	25032341	28250551
3	Private professional institutions	171496	128563	166441	182100
4	Commercial and Non residential	5321609	5782941	6337674	7193401
5	Irrigation Pumpsets	170206856	173197568	193739704	194605909
6	LT Industry	4580726	4629559	4703496	5227521
7	Public Water Supply	5539840	5139107	5516307	6007214
8	Public Lighting	2248168	2229874	2227560	2437984
9	Temporary Supply	93931	40160	52054	99626
	LT Total	211404233	217152180	240167960	246723602
	HT Installations				
8	HT – 1 Public Water Supply	4191706	4241938	4351684	4909781
9	HT – 2(a) Industrial, Non Commercial and Non Industrial including Railways	10449340	13655830	17390243	12024235
10	HT – 2(b) Commercial	540266	583618	698099	723705
11	HT – 2(c)(i) Govt. Education Inst., Hostels & Hospitals	46196	40156	59775	133540
12	HT – 2(c)(ii) Education Inst., Hostels & Hospitals other than HT-2(c)(i)	327107	334738	327665	345561
13	HT – 3 Irrigation & Agriculture farms, list includes societies etc.	2160518	2206522	1364534	757923
14	SEZ				12180670
	HT Total	17715133	21062802	24192000	31075415
	Total (LT + HT)	229119366	238214982	264359960	277799017

24. Annual Revenue Requirement and tariff revision proposals for FY-17 and FY-18

The HRECS is furnishing the revised details of projections and Annual Revenue Requirement for FY-17, FY-18 and tariff revision proposals for FY-17, in the following paragraphs;

24.1 Energy Input at interface points projected for FY-17 and FY18

TABLE 38:

Details	For FY -17	For FY -18
HESCOM Hubli (Energy at Buss)	339.34	359.27
Transmission loss @ 3.47% and 3.37 for FY-17 and FY-18 respectively	11.77	12.11
Energy at inter face point Power Purchase (MU)	327.57	347.16
Sale of Power (MU)	277.79	294.52
Loss %	15.19	15.16
Average Cost of Purchase (in paise) at BUSS level	551.00	700.00 including gap of FY-16
Average Cost of Purchase (in paise) at interface point	387.78	395.46

24.2 Quantum of input energy at interface points

TABLE 39:

Year	Quantum of power purchase (MU)	Percentage Growth over previous year
2012-13 (Actual)	257.19	14.07
2013-14 (Actual)	270.36	5.12
2014-15 (Actual)	280.39	3.58
2015-16 (Actual)	311.46	11.08
2016-17 (Projected)	327.57	5.17
2017-18 (Projected)	347.16	5.98

24.3. Quantum of energy sales

TABLE 40:

Year	Actual quantum of Sales (MU)	Percentage Growth over previous year
2013-14	229.12	4.69
2014-15	238.21	3.97

2015-16	264.36	10.98
2016-17(Projected)	277.80	5.08
2017-18(Projected)	294.52	6.02

24.4 Annual Revenue Requirement

TABLE 41: **In Rs. in Lakhs.**

Sl. No.	Details	FY-17	FY-18
		Projected	Projected
	Power Purchase (MU)	327.57	347.16
	Sale of Power (MU)	277.80	294.52
	Loss %	15.19	15.16
	Average Cost of Purchase at I.F. (in Rs)	3.88	3.96
1	Receipts		
a	Revenue from tariffs & Miscell. Charges	5178.39	5355.26
b	RE subsidy from Govt.	8452.00	9222.86
	Revenue to wires business	00	00
	Total	13630.39	14578.12
2	Expenditure		
a	Power Purchase	13819.16	14863.72
b	R&M Expense	312.37	343.61
c	Employee Expenses	819.84	1098.28
d	A&G Expense	125.07	130.83
e	Depreciation	111.70	113.99
	Advance against depreciation	Nil	Nil
f1	Interest & Finance Charges	22.59	48.05
f2	Less: Interest & other expenses capitalised	Nil	Nil
f3	Interest on consumer Deposit	90.64	95.17
g	Interest on working capital	55.24	64.36
h	Other Debits (including Provisions for Bad debts)	Nil	Nil
i	Extraordinary Items	Nil	Nil
j	Other (Misc.)-net prior period credit	Nil	Nil
	Total	15356.61	16758.01
3	ROE @ 22.14%	131.66	142.73
4	Provision for taxes	Nil	Nil
5	Sub Total	15488.27	16900.74
6	Other Income	171.70	180.28
7	Annual Revenue Requirement (2)+(3)+(4)-(5)	15316.57	16720.46
	Short Fall	1686.27	2142.34

Average cost of supply for FY-18 is Rs. 7.00(including a deficit of Rs.3896.63 lakh of FY 16).

Note: In this filing, the revenue from tariff has been calculated on the basis of existing tariff.

24.7 Surplus /deficit:

The deficit for FY 16 is of the Order of Rs. Rs.3896.63 lakh and the deficit anticipated is Rs. 2142.34 lakh. Considering this, Tariff proposal has been made out in the foregoing paragraphs to liquidate the deficit of Rs. 6038.97 lakh. This deficit essentially means levy of additional Tariff of Rs. 2.05 /Unit and hence the category wise proposed tariff are made out as below:

25 TARIFF PROPOSALS FOR FY -18

25.1. LT CATEGORY WISE TARIFF REVISION

The detailed tariff proposal for the FY-18 is furnished in Format D - 20.

25.1.2. LT - 1 Bhagyajyothi / Kutirjyothi

The electricity consumption for this category of consumers is estimated at 18 units per month per installations. The entire cost of supply to this category of consumers will be met by GoK. The Society is proposing tariff at the cost of supply rate arrived at, through these exercise, which will be Rs. 7.00 per unit up to 18 units subjected to monthly minimum of Rs. 30 per installation per month. If any consumer consumes power above the stipulated 18 units per month per installation, such installations will be billed as per the tariff applicable to LT-2(a) category consumers for their entire consumption of that month.

25.1.3. LT 2(a) Domestic Lighting& AEH

The energy charges proposed to be increased as indicated in the table below.

TABLE 42:

Proposed Tariff for LT 2(a)(i) (in Rs.)

Particulars	Existing Tariff	Proposed tariff For FY-18
Fixed Charges per month		
First KW	30	30
Additional KW	40	40
Energy Charges per month		
Cons.< 30 units	3.00	5.05
Cons.>30, <= 100 units	4.40	6.45
Cons.>100, <= 200 units	5.90	7.95
Cons.>200, units	6.90	

TABLE 43:

Proposed Tariff for LT 2(a)(ii) (in Rs.)

Particulars	Existing Tariff	Proposed tariff For FY-18
Fixed Charges per month		
First KW	20	20
Additional KW	30	30
Energy Charges per month		
Cons.< 30 units	2.90	4.95
Cons.>30, <= 100 units	4.10	6.15
Cons.>100, <= 200 units	5.60	7.65
Cons.>200 units	6.40	8.45

25.1.4 LT – 2(b) Private Professional Institutes

These categories of consumers constitute private, professional & other educational institutes, Private Hospitals and Nursing Homes. The Energy Charges for all the existing slab consumptions for FY -16, as indicated in the table below.

TABLE 44:

Proposed Tariff for LT 2(b) (i) (in Rs.)

Particulars	Existing Tariff	Proposed tariff For FY-18
Fixed Charges Rs. 35/- Per KW per month subject to a minimum of Rs. 65/-	75	75
Energy Charges per month		
Cons.< =200 units	6.25	8.30
Cons. >200 units	7.45	9.50

TABLE 45:

Proposed Tariff for LT 2(b) (ii) (in Rs.)

Particulars	Existing Tariff	Proposed tariff For FY-18
Fixed Charges Rs. 25/- Per KW per month subject to a minimum of Rs. 50/-	60	60
Energy Charges per month		
Cons.< =200 units	5.70	7.75
Cons.> 200 units	6.90	8.95

25.1.5 LT 3: Commercial

TABLE 46:

Proposed Tariff for LT 3(i) (in Rs.)

Particulars	Existing Tariff	Proposed tariff For FY-18
Fixed Charges Per KW per month	50	50
Demand based Tariff (Optional)		
Fixed Charges Per KW per month	65	65
Energy Charges per month		
For the first 50 units	7.15	9.20
For the balance units	8.15	10.20

TABLE 47:

Proposed Tariff for LT 3 (ii) (in Rs.)

Particulars	Existing Tariff	Proposed tariff For FY-17
Fixed Charges per KW Per Month	40	40
Demand based Tariff (Optional)		
Fixed Charges Per KW per month	55	55
Energy Charges per month		
For the first 50 units	6.65	8.70
For the balance units	7.65	9.70

25.1.6 LT 4 Agricultural I P Sets

As at the end of FY-16, there were 24283 registered IP Set consumers. Energy consumption under this category for FY-16 is determined at 193.68 MUs based on assessed consumption. Considering the assessed consumption per IP set per annum at 7651.22 units, the sale of energy

under this category translates to 197.31 MU. The detailed calculation sheet is enclosed.

The Applicant HRECS requests the Hon'ble Commission to fix Rs. 6.68 per unit for this category as Commission Determined Tariff.

Table 48:

Particulars	Existing tariff	Proposed Tariff for FY 18
Monthly Fixed Charges	Nil	Nil
Energy Charges per unit per month	4.63	6.68

Proposed Tariff for LT4 (b)

The difference between the cost of supply and each unit charged to the consumer shall be either born by cross subsidy or by government subsidy, as determined by the Hon'ble Commission.

TABLE: 49

Applicable to IP sets above 10 HP

Particulars	Existing Tariff	Proposed tariff for FY 18
Monthly Fixed Charges per HP	40	40
Energy Charges per unit per month	2.80	4.85

Proposed Tariff for LT 4(c)(i): Applicable to Private Horticultural Nurseries, coffee and Tea plantations upto 10 HP sanctioned load.

The difference between the cost of supply and each unit charged to the consumer shall be either born by cross subsidy or by government subsidy, as determined by the Hon'ble Commission.

TABLE : 50

Particulars	Existing Tariff	Proposed tariff for FY 18
Monthly Fixed Charges per HP	30	30
Energy Charges per unit per month	2.80	4.85

Proposed Tariff for LT 4(c)(ii): Applicable to Private Horticultural Nurseries, coffee and Tea plantations above 10 HP sanctioned load.

The difference between the cost of supply and each unit charged to the consumer shall be either born by cross subsidy or by government subsidy, as determined by the Hon'ble Commission.

TABLE :51

Particulars	Existing Tariff	Proposed tariff for FY 18
Monthly Fixed Charges per HP	40	40
Energy Charges per unit per month	2.80	4.85

5.1.7 LT 5: Industrial, Non-Industrial Heating and Motive Power

The proposed tariff, the slab wise rates are given below.

TABLE 52:

Proposed Tariff for LT – 5(b) (in Rs)

Particulars	Existing Tariff	Proposed tariff for FY 18
Fixed Charges per HP per Month		
< 5 HP	30	30
5 – 40 HP	35	35
40 – 67 HP	40	40
> 67 HP	100	100

Energy Charges per month		
Cons.< 500 units	4.85	6.90
Cons.> 500, <= 1000 units	5.70	7.75
Cons.> 1000 units	6.00	8.05

TABLE 53:

Demand based Tariff (per KW)

Particulars	Existing Tariff	Proposed tariff for FY 18
Fixed Charges per month per KW		
> 5 HP, < 40 HP	50	50
>40 HP, < 67 HP	65	65
>67 HP	150	150
Energy Charges per month		
Cons.< 500 units	4.85	6.90
Cons.< 500, <= 1000 units	5.70	7.75
Cons.> 1000 units	6.00	8.05
	50	50

25.1.8 LT 6(a) : Water Supply, Sewerage, Pumping, etc.

The proposed tariff, the slab wise rates are given below

TABLE 54:

Proposed Tariff for LT – 6(a) (in Rs)

Particulars	Existing Tariff	Proposed tariff for FY 18
Water Supply Installations		
Fixed Charges (Rs per HP per Month)	45	45
Energy Charges (Rs per unit)	3.90	5.95

25.1.9 LT 6(b) : Street light

TABLE 55: Street light

Particulars	Existing Tariff	Proposed tariff for FY 18
Fixed Charges (Rs per kW per Month)	60	60
Energy Charges (Rs per unit)	5.50	7.55
Energy charges for LED/Induction lighting	4.50	6.55

25.1.10 LT - 7: Temporary Power Supply

The proposed tariff, the slab wise rates are given below

TABLE 56:

Proposed Tariff for LT - 7 (a) (in Rs.)

Particulars	Existing Tariff	Proposed tariff for FY 18
Fixed Charges for sanctioned Load of 67 HP and below		
Weekly Minimum Per KW	170	170
Energy Charges per unit	9.50	11.55

Proposed Tariff for LT - 7 (b) (in Rs.)

Particulars	Existing Tariff	Proposed tariff for FY 18
Fixed Charges for sanctioned Load of 67 HP and below		
Fixed Charges Per KW	50	50
Energy Charges per unit	9.50	11.55

25.2. HT CATEGORY WISE TARIFF REVISION

The details of tariff proposal are furnished in Tariff Format D-21 of ERC & Tariff Filing Formats for FY-16

25.2.1 HT – 1: Public Water Supply and Sewage Pumping Installations

TABLE 57:

Proposed Tariff for HT 1 (in Rs.)

Particulars	Existing Tariff	Proposed tariff for FY 18
Demand Charges per kVA	190	190
Energy Charges per unit	4.50	6.55

25.2.2 HT - 2(a) Industrial, Non Industrial and Non Commercial

The proposed tariff, the slab wise rates are given below

TABLE 58:

Proposed Tariff for HT 2(a) (in Rs.)

Particulars	Existing Tariff	Proposed tariff for FY 18
Demand Charges per kVA	180	180
Energy Charges		
Cons.< 1 lakh units/ month	6.20	8.25
For the balance units	6.60	8.65

25.2.3 HT 2 (b) Commercial

The proposed tariff, the slab wise rates are given below

TABLE 59:

Proposed Tariff for HT 2(b) (in Rs.)

Particulars	Existing Tariff	Proposed tariff for FY 18
Demand Charges per kVA	200	200
Energy Charges		
Cons.< 2 lakh units/ month	7.85	9.90
Cons.>2 lakh units/month	8.15	10.20

25.2.4 HT 2 (c)(i) Govt. Hospital, Educational Institutions & Hostels

The proposed tariff, the slab wise rates are given below

TABLE 60:

Proposed Tariff for HT 2(c)(i) (in Rs.)

Particulars	Existing Tariff	Proposed tariff for FY 18
Demand Charges per kVA	180	180
Energy Charges		
Cons.< 1 lakh units/ month	6.00	8.05
Cons.>1 lakh units/month	6.50	8.55

25.2.5 HT 2 (c)(ii) Hospital, Educational Institutions & Hostels other than above HT-2(c) (i)

The proposed tariff, the slab wise rates are given below

TABLE 61:

Proposed Tariff for HT 2(c)(ii) (in Rs.)

Particulars	Existing Tariff	Proposed tariff for FY 18
Demand Charges per kVA	180	180
Energy Charges		
Cons.< 1 lakh units/month	7.00	9.05
Cons.>1 lakh units/month	7.50	9.55

25.2.6 HT 3(a) Agriculture

The proposed tariff, the slab wise rates are given below

TABLE 62

Proposed Tariff for HT 3(a) (i) (in Rs.)

Particulars	Existing Tariff	Proposed Tariff for FY 18.
Energy Charges/Minimum Charges	2.00 ps. /unit subject to annual minimum of Rs.1120/HP/annum	4.05 . /unit subject to annual minimum of Rs.1000/HP/annum

24.2.7 Since there is no consumer belonging to other HT category, the HRECS has not dealt the same in this application.

25.2.8 SEZ

The proposed tariff rates are given below

TABLE 63

Proposed Tariff for SEZ

Particulars	Existing Tariff	Proposed Tariff for FY 18.
Energy Charges/Minimum Charges	Rs.5.66 per unit	Rs.7.71 per unit

26. PRAYER

WHEREFORE, in the light of above submissions, the Applicant HRECS prays that the Hon'ble Commission may be pleased to:

- a) Consider and approve for the revised Annual Revenue Requirement (ARR) of the HRECS for FY-18
- b) Consider and approve the tariff proposals of the HRECS for FY -18;
- c) Allow the recovery of expenses incurred by the HRECS in respect of this filing through tariff, while truing up of the accounts of the HRECS;
- d) Pass such other orders as deem fit in the circumstances mentioned above, in the interest of justice and equity.

Place: Hukkeri

Date: 30.11.2016

APPLICANT

ELECTRIC POWER TARIFF-2018

RETAIL CONSUMER TARIFF

Effective from 1st Meter Reading date on or after
---.----. 2018

HUKKERI
RURAL ELECTRIC CO-OPERATIVE SOCIETY
LIMITED.

ELECTRIC POWER TARIFF-2018

GENERAL TERMS AND CONDITIONS OF TARIFF:
(APPLICABLE TO BOTH HT AND LT)

1. Supply of power is subject to execution of agreement by the Consumer in the prescribed form, payment of prescribed deposits and compliance of terms and conditions as stipulated in the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka and Regulations issued under Electricity Act, 2003, at the time of supply and continuation of power supply is subject to compliance of the said Conditions of Supply / Regulations as amended from time to time.
2. The tariffs are applicable to only single point of supply unless otherwise approved by the Licensee.
3. The Licensee does not bind himself to energize any installation, unless the Consumer guarantees the minimum charges, wherever applicable. The minimum charge is the power supply charges in accordance with the tariff in force from time to time. This shall be payable by the Consumer until power supply agreement is terminated, irrespective of the installation being in service or under disconnection.
4. The tariffs in the schedule are applicable to power supply within the licensed service area of the Society.
5. The tariffs are subject to levy of Tax and Surcharges thereon as may be prescribed by the State Government from time to time.
6. For the purpose of these tariffs, the following conversion table would be used:
1 HP=0.746 KW. 1HP=0.878 KVA.
7. The bill amount will be rounded off to the nearest Rupee, i.e., the bill amount of 50 Paise and above will be rounded off to the next higher Rupee and the amount less than 50 Paise will be ignored.
8. Use of power for temporary illumination in the premises already having permanent power supply for marriages, exhibitions in hotels, sales promotions etc., is limited to sanctioned load at the applicable permanent power supply tariff rates. Temporary tariff rates will be applicable in case the load exceeds sanctioned load as per the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.
9. No LT power supply will be given where the requisitioned load is 50 KW/67 HP and above. This condition does not apply for installations serviced under clause 3.1.1 of K.E.R.C. (Recovery of Expenditure for

supply of Electricity) Regulations, 2004 and its amendments from time to time. The applicant is however at liberty to avail HT supply for lesser loads. The minimum contract demand for HT supply shall be 25 KVA or as amended from time to time by the Licensee with the approval of KERC.

10. The Consumer shall not resell electricity purchased from the Licensee to a third party except -
- (a) Where the Consumer holds a sanction or a tariff provision for distribution and sale of energy,
 - (b) Under special contract permitting the Consumer for resale of energy in accordance with the provisions of the contract.
 - (c) *Sale by a Developer of Special Economic Zone notified under the Special Economic Zone Act, 2005, to the occupants of the said Special Economic Zone, occupying any part of the said Special Economic Zone, either as owners or lessees, as the case may be, on no profit no loss basis*
11. Non-receipt of the bill by the Consumer is not a valid reason for non-payment. The Consumer shall notify the office of issue of the bill if the same is not received within 7 days from the meter reading date. Otherwise, it will be deemed that the bills have reached the Consumer in due time.
12. The Licensee will levy the following charges for non-realization of each Cheque

1	Cheque amount upto Rs. 10,000/-	5% of the amount subject to a minimum of Rs.100/-
2	Cheque amount of Rs. 10,001/- and upto Rs. 1,00,000/-	3% of the amount subject to a minimum of Rs.500/-
3	Cheque amount above Rs. 1 Lakh:	2% of the amount subject to a minimum of Rs.3,000/-

13. In respect of power supply charges paid by the Consumer through money order, Cheque /DD sent by post, receipt will be drawn and the Consumer has to collect the same.
14. In case of any belated payment, simple interest at the rate of 1 % per month will be levied on the actual No. of days of delay subject to a minimum of Re.1/- for LT installation and Rs.100/- for HT installation. No interest is however levied for arrears of Rs.10/- and less.
15. All LT Consumers, except Bhagya Jyothi and Kutir Jyothi Consumers, shall provide current limiter/Circuit Breakers of capacity prescribed by the Licensee depending upon the sanctioned load.

16. All payments made by the Consumer will be adjusted in the following order of priority: -
- (a) Interest on arrears of Electricity Tax
 - (b) Arrears of Electricity Tax
 - (c) Arrears of Interest on Electricity charges
 - (d) Arrears of Electricity charges
 - (e) Current month's dues
17. For the purpose of billing,
- (i) the higher of the rated load or sanctioned load in respect of LT installations which are not provided with Electronic Tri-Vector meter.
 - (ii) sanctioned load or MD recorded, which ever is higher, in respect of installations provided with Electronic Tri-Vector meter will be considered.
 - (iii) Penalty and other clauses shall apply if sanctioned load is exceeded.
18. The bill amount shall be paid within 15 days from the date of presentation of the bill failing which the interest becomes payable.
19. For individual installations, more than one meter shall not be provided under the same tariff. Wherever two or more meters are existing for individual installation, the sum of the consumption recorded by the meters shall be taken for billing, till they are merged.
20. In case of multiple connections in a building, all the meters shall be provided at one easily accessible place in the ground floor / cellar floor.
21. **Reconnection charges:** The following reconnection charges shall be levied incase of disconnection and included in the monthly bill.
For reconnection of:

a	Single Phase Domestic installations under Tariff schedule LT 1 & LT2 (a)	Rs.20/-per Installation.
b	Three Phase Domestic installations under Tariff schedule LT2 (a) and Single Phase Commercial & Power installations.	Rs.50/-per Installation.
c	All LT installations with 3 Phase supply other than LT2 (a)	Rs. 100/-per Installation.
d	All HT& EHT installations	Rs. 500/-per Installation.

22. Revenue payments up to and inclusive of Rs.10, 000/- shall be made by cash or cheque or D.D and payments above Rs.10,000/- shall be made by cheque or D.D only. Payments under other heads of account shall be made by cash or D.D up to and inclusive of Rs.10, 000/- and payment above Rs.10000/-shall be by D.D only.

Note: The Consumers can avail the facility of payment of monthly power supply bill through Electronic clearing system (ECS)/ Credit cards / on line E-Payment@ www.billjunction.com at counters wherever such facility is provided by the Licensee in respect of revenue payments up to the limit prescribed by the RBI.

- 23 For the types of installations not covered under any Tariff schedules, the Licensee is permitted to classify such installations under appropriate Tariff schedule under intimation to the K.E.R.C.

24. Seasonal Industries

Applicable to all Seasonal Industries.

- i) The industries that intend to avail this benefit shall have Electronic Tri-Vector Meter fitted to their installations.
- i) 'Working season' months and 'off-season' months shall be determined by an order issued by the Executive Engineer of the concerned O&M Division of the Licensee as per the request of the Consumer and will continue from year to year unless otherwise altered. The Consumer shall give a clear one month's notice in case he intends to change his 'working season'.
- ii) The Maximum Demand/consumption during any month of the declared off-season shall not be more than 50% of the contract demand/average consumption of the previous working season.
- iii) The 'Working season' months and 'off-season' months shall be full-calendar months. If the power availed during a month exceeds the allotment for the 'off-season' month, it shall be taken for calculating the billing demand as if the month is the 'working season' month.
- iv) The Consumer can avail the facility of 'off-season' up to six months in a calendar year not exceeding in two spells in that year. During the 'off-season' period, the Consumer may use power for administrative offices etc., and for overhauling and repairing plant and machinery.

25. Whether an institution availing Power supply can be considered as charitable or not will be decided by the Licensee on the production of certificate Form-12 A from the Income Tax department.

26 Time of the Tariff (ToD)

Time of day tariff is compulsory for HT2(a) and HT2(b) consumers with a contract demand of 500 kVA and above. The Time of day (TOD) Tariff based on time of day use as optional to Consumers under LT 5 category (where trivector meter is fixed) and under HT1, HT 2(a) and HT 2(b) categories, with contract demand of less than 500 kVA. Details of ToD Tariff are indicated under the respective Tariff category.

27 **SICK INDUSTRIES:** The Government of Karnataka has extended certain reliefs to sick industries under the New Industrial Policy 2001-06 vide G.O.No.CI 167 SPI 2001, dated 30.06.2001. The Commission, in its Tariff Order 2002 has accorded approval for implementation of reliefs to the sick industries as per the Government policy and the same was continued in the Tariff Order 2003. The Commission approves continuation of the implementation of reliefs to sick industries by the Licensees subject to collection of the amount of relief from the GOK in advance.

28 **Incentive for Prompt Payment / Advance Payment:** An incentive at the rate of 0.25% of such bill shall be given to the following Consumers by way of adjustment in the subsequent month's bill:

- (i) In all cases of payment through ECS.
- (ii) And in the case of monthly bills exceeding Rs.1,00,000/- (Rs. one lakh), if the payment is made 10 days in advance of the due date.
- (iii) Advance Payment exceeding Rs.1000/- made by the Consumers towards monthly bills

29. Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka and amendments issued thereon from time to time and Regulations issued under Electricity Act 2003 will prevail over the extract given in this tariff book in the event of any discrepancy.

30. Self-Reading of Meters:

The Commission has approved Self-Reading of Meters by Consumers and issue of bills by the Licensee based on such readings and the Licensee shall take the reading at least once in six months and reconcile the difference, if any and raise the bills accordingly. This procedure may be implemented by the Licensee as stipulated under Section 26.01 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

ELECTRIC POWER TARIFF—2018

PART-1

HIGH TENSION SUPPLY

Applicable to Bulk Power Supply of Voltages at 11KV (including 2.3/4.6 KV) and above at Standard High Voltage or Extra High Voltages when the Contract Demand is 50 KW / 67 HP and above.

ELECTRIC POWER TARIFF—2018

PART-1

HIGH TENSION SUPPLY

Applicable to Bulk Power Supply at Voltages of 11KV (including 2.3/4.6 KV) and above at Standard High Voltage or Extra High Voltages when the Contract Demand is 50 KW / 67 HP and above.

CONDITIONS APPLICABLE TO BILLING OF HT INSTALLATIONS:

1. **Billing Demand**
 - A) The billing demand during unrestricted period shall be the maximum demand recorded during the month or 75% of the CD, whichever is higher.
 - B) When the Licensee has imposed demand cut of 25% or less, the conditions stipulated in (A) shall apply.
 - C) When the demand cut is in excess of 25%, the billing demand shall be the maximum demand recorded or 75% of the restricted demand, whichever is higher.
 - D) If at any time the maximum demand recorded exceeds the CD, or the demand entitlement, or opted demand entitlement during the period of restrictions, if any, the Consumer shall pay for the quantum of excess demand at two times the normal rate per KVA per month as deterrent charges as per Section No. 126(6) of Electricity Act 2003. If time of day Meter is fixed and is operational, there will be no penalty for over drawal upto 1.2 times the Contract Demand during off peak hours, provided, the Licensee has declared the peak and off peak periods. For over drawal during peak periods, and over drawal above 1.2 times the Contract Demand during off peak hours, the penalty shall be two times the normal rate.
 - E) During the periods of disconnection, the billing demand shall be 75% of CD, or 75% of the demand entitlement that would have been applicable, had the installation been in service, whichever is less. This provision is applicable only, if the installation is under disconnection for the entire billing month.
 - F) During the period of energy cut, the Consumer may get his demand entitlement lowered, but not below the percentage of energy entitlement, (For example, In case the energy entitlement is 40% and the demand entitlement is 80%, the re-fixation of demand entitlement cannot be lower than 40% of the

CD). The benefit of lower demand entitlement will be given effect to from the meter reading date of the same month, if the option is exercised on or before 15th of the month. If the option is exercised on or after 16th of the month, the benefit will be given effect to from the next meter reading date. The Consumer shall register such option by paying processing fee of Rs.100/- at the Jurisdictional sub-division office.

- (i) The billing demand in such cases, shall be the "Revised (Opted) Demand Entitlement" or, the recorded demand, whichever is higher. Such option for reduction of demand entitlement, is allowed only once during the entire span of that particular "Energy Cut Period". The Consumer, can however opt for a higher demand entitlement up to the level permissible under the demand cut notification, and the benefit will be given effect to from the next meter reading date. Once the Consumer opts for enhancement of demand, which has been reduced under Clause (F), no further revision is permitted during that particular energy cut period.
 - (ii) The opted reduced demand entitlement will automatically cease to be effective, when the energy cut is revised. The facility for reduction and enhancement can however be exercised afresh by the Consumer as indicated in the previous paras.
- G) For the purpose of billing, the billing demand of 0.5 KVA and above will be rounded off to the next higher KVA, and billing demand of less than 0.5 KVA shall be ignored.

2. Power factor (PF)

It shall be the responsibility of the HT Consumer to determine the capacity of PF correction apparatus and maintain an average PF of not less than 0.90.

- (i) The specified P.F. is 0.90. If the power factor goes below 0.90 Lag, a surcharge of 3 Paise per unit consumed will be levied for every reduction of P.F. by 0.01 below 0.90 Lag.
- (ii) The power factor when computed as the ratio of KWh / KVAh will be determined up to 3 decimals (ignoring figures in the other decimal places), and then rounded off to the nearest second decimal as illustrated below:
 - (a) 0.8949 to be rounded off to 0.89
 - (b) 0.8951 to be rounded off to 0.90

In respect of Electronic Tri-Vector meters, the recorded average PF over the billing period shall be considered for billing purposes. If the same is not available, the ratio of KWh to KVAh consumed in the billing month shall be considered.

3. Rebate for supply at high voltage:

If the Consumer is availing power at voltage higher than 13.2 KV, he will be entitled to a rebate as indicated below:

	Supply Voltage:	Rebate
A)	<u>33/66</u> <u>KV</u>	2 Paise/unit of energy consumed
B)	<u>110</u> <u>KV</u>	3 Paise/unit of energy consumed
C)	<u>220 KV</u>	5 Paise/unit of energy consumed

The above rebate will be allowed in respect of all the installations of the above voltage class, including the existing installations, and also for installations converted from 13.2 KV and below to 33 KV and above and also for installations converted from 33/66 KV to 110/220 KV, from the next meter reading date after conversion / service / date of notification of this Tariff order, as the case may be. The above rebate is applicable only on the normal energy consumed by the Consumer, including the consumption under TOD Tariff, and is not applicable on any other energy allotted and consumed, if any, viz.,

- i) Wheeled Energy.
- ii) Any energy, including the special energy allotted over and above normal entitlement.
- iii) Energy drawal under special incentive scheme, if any.

The above rebate is not applicable for Railway Traction.

- 4 In respect of Residential Quarters/ Colonies availing Bulk power supply by tapping the main HT supply, the energy consumed by such Colony loads, metered at single point, shall be billed under HT-4 tariff schedule. No reduction in demand recorded in the main HT meter will be allowed.
5. Energy supplied may be utilized for all purposes associated with the working of the installations, such as, Office, Stores, Canteens, Yard Lighting, Water Supply and Advertisements within the premises.
6. Energy can also be used for construction, modification and expansion purposes within the premises.
7. Power supply under HT-4 tariff schedule may be used for Commercial and other purposes **inside the colony**, for installations such as Canteen, Club, Shop, Auditorium etc., provided, this load is less than 10% of the CD.

8. In respect of **Residential Apartments** availing HT Power supply under HT-4 tariff schedule, the supply availed for Commercial and other purposes like Shops, Hotels, etc., will be billed under appropriate tariff schedule, (Only Energy charges) duly deducting such consumption in the main HT supply bill. No reduction in the recorded demand of the main HT meter is allowed. Common areas shall be billed at Tariff applicable to that of the predominant Consumer category.

9. Seasonal Industries

- a. The industries, which intend to utilize seasonal industry benefit, shall conform to the conditionalities under Para no. 25 of the General terms and conditions of tariff (applicable to both HT & LT).
- b. The industries that intend to avail this benefit, shall have Electronic Tri-Vector Meter fitted to the installation.
- c. Monthly charges during the working season shall be the demand charges on 75% of the contract demand or the recorded maximum demand during the month, whichever is higher, plus the energy charges
- d. Monthly charges during the off season, shall be demand charges on the maximum demand recorded during the month, or 50% of the CD which ever is higher plus the energy charges.

TARIFF SCHEDULE HT 1

Applicable to Water Supply, Drainage / Sewerage water treatment plant and Sewerage Pumping installations, belonging to Karnataka Urban Water Supply and Sewerage Board, other local bodies, State and Central Government.

Applicable to all areas of the HRECS

RATE SCHEDULE

Demand charges	Rs.190/kVA of billing demand/month
Energy charges	655paise/unit

TOD Tariff at the option of the COnsumer

Time of Day	Increase + / reduction (-) in energy charges over the normal tariff applicable
22.00 Hrs to 06.00 Hrs	(-) 125 paise per unit

06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	+ 100 paise per unit

Note: Energy supplied to residential quarters availing bulk supply by the above category of Consumer, shall be metered separately at a single point, and the energy consumed shall be billed at HT-4 Tariff. No reduction in the demand recorded in the main HT meter will be allowed.

TARIFF SCHEDULE HT-2(a)

Applicable to Industries, Factories, Workshops, Universities, Educational Institutions belonging to Government, Local bodies, Aided Institutions, Hostels of all Educational Institutions, Research & Development Centres, Industrial Estates including SEZs established under SEZ Act, 2005, Milk dairies, Rice Mills, Phova Mills, Roller Flour Mills, News Papers, Printing Press, Railway Workshops/KSRTC Workshops/ Depots, Crematoriums, Cold Storage, Ice & Ice-cream mfg. Units, Swimming Pools of local bodies, Water Supply Installations of KIADB and other industries, all Defence Establishments. Hatcheries, Poultry Farm, Museum, floriculture, Green House, Bio Technical Laboratory, Hybrid Seeds processing Units, Stone Crushers, Stone cutting, Bakery Product Manufacturing Units, Mysore Palace illumination, Film Studios, Dubbing Theatres, Processing, Printing, Developing and Recording Theaters, Tissue Culture, Aqua Culture, Prawn Culture, Information Technology Industries engaged in development of Hardware & Software as certified by the IT & BT Department of GOK/GOI, Drug Mfg. Units, Garment Mfg. Units, Tyre retreading units, Hospitals run by Charitable Institutions & ESI Hospitals, Nuclear Power Projects, Stadiums maintained by Government and local bodies, also Railway Traction, Effluent treatment plants and Drainage water treatment plants owned other than by the local bodies, LPG bottling plants, petroleum pipeline projects, Piggery farms, Analytical Lab. for analysis of ore metals, Saw Mills, Toy/wood industries, Satellite communication centers, and Mineral water processing plants / drinking water bottling plants.

RATE SCHEDULE

HT-2(a): Applicable to all areas of HRECS

Demand charges	Rs.180/kVA of billing demand/month
Energy charges	
For the first one lakh units	825 paise per unit
For the balance units	865 paise per unit
Railway Traction and Effluent Treatment plants	
Demand charges	Rs.190/KVA of billing demand/month
Energy charges	795 paise per unit for all the units

TARIFF SCHEDULE HT-2(b)

Applicable to Commercial Complexes, Cinemas, Hotels, Boarding & Lodging, Amusement Parks, Telephone Exchanges, Race Course, All Clubs, T.V. Station, All India Radio, Railway Stations, Air Port, KSRTC bus stations, All offices, Banks, Commercial Multi-storied buildings.

APMC Yards, Stadiums other than those maintained by Government and Local Bodies, Construction power for irrigation and Power Projects, Petrol / Diesel and Oil storage plants, Information Technology (IT) enabled services and I.T. based medical transcription centers, Telecom, Call Centres, BPO/KPO units.

RATE SCHEDULE

HT-2 (b): Applicable to all areas of the HRECS

Demand charges	Rs. 200 /kVA of billing demand/month
Energy charges	
For the first two lakh units	990 paise per unit
For the balance units	1020 paise per unit

**TARIFF SCHEDULE HT-2(c)
RATE SCHEDULE**

HT-2 (c) (i)- Applicable to Government Hospitals and Hospitals run by Charitable Institutions and ESI hospitals and Universities, Educational Institutions belonging to Government, Local bodies, Aided Institutions and Hostels of all Educational Institutions.

Demand charges	Rs. 180 /kVA of billing demand/month
Energy charges	
For the first one lakh units	805 paise per unit
For the balance units	855 paise per unit

RATE SCHEDULE

HT-2 (c) (ii) - Applicable to Hospitals and Educational Institutions and Hostels of Educational Institutions other than those covered under HT-2 (c)(i).

Demand charges	Rs. 180 /kVA of billing demand/month
Energy charges	
For the first one lakh units	905 paise per unit
For the balance units	955 paise per unit

Note: Applicable to HT-2 (a) , HT-2 (b) & HT-2(c) Tariff Schedule.

1. Energy supplied may be utilized for all purposes associated with the working of the installation such as offices, stores, canteens, yard lighting, water pumping and advertisement within the premises.
2. Energy can be used for construction, modification and expansion purposes within the premises.

TOD Tariff applicable to HT 2(a), HT2(b) and HT2(c) category.

Time of Day	Increase + / reduction (-) in energy charges over the normal tariff applicable
22.00 Hrs to 06.00 Hrs	(-) 125 paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	+ 100 paise per unit

TARIFF SCHEDULE HT-3 (a)

Applicable to Lift irrigation Schemes/ Lift irrigation societies,

RATE SCHEDULE

Applicable to all areas of the HRECS

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

Energy charges/ Minimum Charges	405 paise per unit subject to an annual minimum of Rs.1120/- per HP/Annum.
--	--

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

Fixed Charges	Rs.40 /HP/PM of sanctioned load
Energy charges	405 paise/unit

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.20 /HP/PM of sanctioned load
Energy charges	405 paise/unit

TARIFF SCHEDULE HT-3 (b)

HT-3 (b): Applicable to Irrigation and Agricultural Farms, Government Horticultural Farms, Private Horticulture nurseries, Coconut & Arecanut Plantations.

Energy charges/ Minimum Charges	605 paise per unit subject to an annual minimum of Rs.1120/- per HP/ of sanctioned load
--	---

Note: These installations are to be billed on quarter yearly basis.

TARIFF SCHEDULE HT-4

Applicable to Residential apartments and colonies (whether situated outside or inside the premises of the main HT Installation) availing power supply independently or by tapping the main H.T. line. Power supply can be used for residences, theatres, shopping facility, club, hospital, guest house, yard/street lighting, canteen located within the colony.

RATE SCHEDULE Applicable to all areas of HRECS

Demand charges	Rs.110/- per kVA of billing demand
Energy charges	790 paise/unit

NOTE:

- (1) In respect of residential colonies availing power supply by tapping the main H.T. supply, the energy consumed by such colony loads metered at a single point, is to be billed at the above energy rate. No reduction in the recorded demand of the main H.T. supply is allowed.
- (2) Energy under this tariff may be used for commercial and other purposes inside the colonies for installations such as, Canteens, Clubs, Shops, Auditorium etc., provided, this commercial load is less than 10% of the Contract demand.
- (3) In respect of Residential Apartments, availing HT Power supply under HT-4 tariff schedule, the supply availed for Commercial and other purposes like Shops, Hotels, etc., will be billed under appropriate tariff schedule (Only Energy charges), duly deducting such consumption in the main HT supply bill. No reduction in the recorded demand of the main HT meter is allowed. Common areas shall be billed at Tariff applicable to the predominant Consumer category.

TARIFF SCHEDULE HT-5

Tariff applicable to 67 HP and above hoardings and advertisement boards and construction power for industries excluding those category of consumers covered under HT2(b) Tariff schedule availing power supply for construction power for irrigation, power projects and also applicable to power supply availed on temporary basis with the contract demand of 67 HP and above of all categories.

HT 5 Temporary supply

RATE SCHEDULE

67 HP and above:	
Fixed charges / Demand Charges	Rs. 220/HP/month for the entire sanction load / contract demand
Energy Charge	1155 paise / unit

Note:

1. Temporary power supply with or without extension of distribution main shall **be arranged through a pre paid energy meter** duly observing the provisions of Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

2. This Tariff is also applicable to touring cinemas having licence for duration less than one year.

2A. This tariff is also applicable to industrial or commercial exhibition venues.

3. All the conditions regarding temporary power supply as stipulated in Clause 12 the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be complied with before service.

Special Economic Zones

RATE SCHEDULE Applicable to SEZ

Energy charges	771 paise/unit

ELECTRIC POWER TARIFF-2018

PART-II

LOW TENSION SUPPLY (400 Volts Three Phase and 230Volts Single Phase Supply)

CONDITIONS APPLICABLE TO BILLING OF LT INSTALLATIONS:

1. In case of LT Industrial / commercial Consumers, **Demand based Tariff** at the option of the Consumer, can be adopted. The Consumer is permitted to have more connected load than the sanctioned load. The billing demand will be the sanctioned load, or Maximum Demand recorded in the Tri-Vector Meter during the month, which ever is higher. If the Maximum Demand recorded is more than the sanctioned load, penal charges at two times the normal rate shall apply.
2. Use of power within the Consumer premises for bonafide temporary purpose is permitted subject to the conditions that, total load of the installation on the system does not exceed the sanctioned load.
3. Where it is intended to use power supply temporarily, for floor polishing and such other portable equipments, in a premises having permanent power supply, such equipments shall be provided with earth leakage circuit breakers of adequate capacity.
4. The laboratory installations in educational institutions are allowed to install connected machineries up to 4 times the sanctioned load. The fixed charges shall however be on the basis of sanctioned load.
5. Besides combined lighting and heating, electricity supply under tariff schedules LT2 (a) & LT2 (b), can be used for Fans, Televisions, Radios, Refrigerators and other household appliances, including domestic water pumps and air conditioners, provided, they are under single meter connection. If a separate meter is provided for Air-conditioner load, the Consumer shall be served with a notice to merge this load and to have a single meter for the entire load. Till such time, the air conditioner load will be billed under Commercial Tariff.

6. Bulk LT supply

If power supply for lighting / combined lighting & heating {LT 2(a)}, is availed through a bulk Meter for group of houses belonging to one Consumer, (ie, Where bulk LT supply is availed), the billing for energy shall be done at the slab rate for energy charges matching the consumption obtained by dividing the bulk consumption by number of houses. In addition, fixed charges for the entire sanctioned load shall be charged as per Tariff schedule.

7. A rebate of 25 Paise per unit will be given for the House/ School/Hostels meant for Handicapped, Aged, Destitute and Orphans, Rehabilitation Centres under Tariff schedule LT 2(a).

8. **SOLAR REBATE:** A rebate of 50 Paise per unit of electricity consumed subject to a maximum of Rs. 50/- per installation per month will be allowed to Tariff schedule LT 2(a), if solar water heaters are installed and used. Where Bulk Solar Water Heater System is installed, Solar Water Heater rebate shall be allowed to each of the individual installations, provided that, the capacity of Solar Water Heater in such apartment / group housing shall be a minimum capacity of 100 Ltr. per household.

9. A rebate of 20% on fixed charges and energy charges will be allowed in the monthly bill in respect of public Telephone booths having STD/ISD/ FAX facility run by handicapped people, under Tariff schedule LT 3.

10. A rebate of 2 paise per unit will be allowed if capacitors are installed as per Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka in respect of all metered IP Set Installations.

11. **Power Factor (PF):**

Capacitors of appropriate capacity shall be installed in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, in case of installations covered under Tariff category LT 3, LT4, LT 5, & LT 6, where motive power is involved.

- (i) The specified P.F. is 0.85. If the PF is found to be less than 0.85 Lag, a surcharge of 2 Paise per unit consumed will be levied for every reduction of P.F. by 0.01 below 0.85 Lag. In respect of LT installations, however, this is subject to a maximum surcharge of 30 Paise per unit.
- (ii) The power factor when computed as the ratio of KWh/KVAh will be determined up to 3 decimals (ignoring figures in the other decimal places) and then rounded off to the nearest second decimal as illustrated below:
 - (a) 0.8449 to be rounded off to 0.84
 - (b) 0.8451 to be rounded off to 0.85
- (iii) In respect of Electronic Tri-Vector meters, the recorded average PF over the billing period shall be considered for billing purposes.
- (iv) During inspection, if the capacity of capacitors provided is found to be less than what is stipulated in Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, a surcharge of 30 Paise/unit will be levied in the case of installations covered under Tariff categories LT 3, LT 5, & LT 6 where motive power is involved.
- (v) In the case of installations without electronic Tri-vector meters even after providing capacitors as recommended in Clause 23.01 and 23.03 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, if during any periodical or other testing / rating of the installation by the Licensee, the PF of the installation is found to be

lesser than 0.85, a surcharge determined as above shall be levied from the billing month following the expiry of Three months' notice given by the Licensee, till such time, the additional capacitors are installed and informed to the Licensee in writing by the Consumer. This is also applicable for LT installations provided with electronic Tri-vector meters.

12. All new IP set applicants shall fix capacitors of adequate capacity in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka before taking service.
13. All the existing IP set Consumers shall also fix capacitors of adequate capacity in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, failing which, **PF surcharge at the rate of Rs. 60/-per HP/ year** shall be levied. If the capacitors are found to be removed / not installed, a penalty at the same rate as above (Rs. 60/-per HP / Year) shall be levied.
14. The Semi-permanent cinemas having Semi-permanent structure, with permanent wiring and licence of not less than one year, will be billed under commercial tariff schedule i.e., LT 3.
15. Touring cinemas having an outfit comprising cinema apparatus and accessories, taken from place to place for exhibition of cinematography films, and also outdoor shooting units, will be billed under Temporary Tariff schedule i.e., LT 7.
16. The Consumers under IP set tariff schedule, shall use the energy only for pumping water to irrigate their own land as stated in the IP set application / water right certificate and for bonafide agriculture use. Otherwise, such installations shall be billed under appropriate Industrial / Commercial tariff, based on the recorded consumption if available, or on the consumption computed as per the Table given under Clause 42.06 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.
17. The water pumped for agricultural purposes may also be used by the Consumer for his bonafide drinking purposes and for supplying water to animals, birds, Poultry farms, Dairy farms and fish farms maintained by the Consumer in addition to agriculture.
18. The motor of IP set installations can be used with an alternative drive for other agricultural operations like sugar cane crusher, coffee pulping, etc., with the approval of the Licensee. The energy used for such operation, shall be metered separately by providing alternate switch and charged at LT Industrial Tariff (Only Energy charges) during the period of alternative use. However, if the energy used both for IP Set and alternate operation is measured together by one energy meter, the energy used for alternate drive shall be estimated by deducting the average IP Set consumption for that month as per the IP sample meter readings for the sub division, as certified by the sub divisional Officer.

19. The IP Consumer is permitted to use energy for lighting the pump house and well limited to two lighting points of 40 Watts each.
20. Billing shall be made at least once in a quarter year for all IP sets.
21. In case of welding transformers, the connected load shall be taken as:
 - a) Half the maximum capacity in KVA as per the nameplate specified under IS: 1851
 - OR
 - b) Half the maximum capacity in KVA as recorded during the rating by the Licensee, which ever is higher.
22. Electricity under Tariff LT 3 / LT 5 can also be used for Lighting, Heating and Air-conditioning, Yard-Lighting, water supply in the premises of Commercial / Industrial Units respectively.
23. Fluorescent fittings shall be provided by the Licensee for the Streetlights in the case of villages covered under the Licensee's electrification programme for initial installation.

In all other cases, the entire cost of fittings including Brackets, Clamps, etc., and labour for replacement, additions and modifications shall be met by the organizations making such a request. Labour charges shall be paid at the standard rates fixed by the Licensee for each type of fitting.

24. Lamps, fittings and replacements for defective components of fittings shall be supplied by the concerned Village Panchayaths, Town Panchayaths or Municipalities for replacement.
25. Fraction of KW / HP shall be rounded off to the nearest quarter KW / HP for purpose of billing and the minimum billing being for 1 KW / 1HP in respect of all categories of LT installations including I.P. sets. **In the case of street lighting installations, fraction of KW shall be rounded off to nearest quarter KW for the purpose of billing and the minimum billing shall be quarter KW.**
26. **Seasonal Industries.**
 - a) The industries who intend to utilize seasonal industry benefit, shall comply with the conditionalities under Para no. 25 of the General terms and conditions of tariff (applicable to both HT & LT).
 - b) The industries that intend to avail this benefit, shall have Electronic Tri-Vector Meter fitted to their installation.
 - c) Monthly charges during the seasonal months shall be fixed charges and energy charges. The monthly charges during the off seasonal months, shall be the energy charges plus 50% of the fixed charges.

Tariff schedule LT-1

LT-1: Applicable to installations serviced under Bhagyajyothi and Kutirajyothi (BJ/KJ) schemes.

Rate schedule

Energy charges (including recovery towards service main charges)	Nil* Fully subsidized by the GOK
--	-------------------------------------

Commission Determined Tariff for the above category i.e., LT-1 is Rs 7.00 per unit.

***Since GOK is meeting the full cost of supply to BJ / KJ, 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. 7.00 per unit subject to monthly minimum of Rs. 30/- per Installation per month shall be demanded and collected from these Consumers.**

Note: If the consumption exceeds 18 units per month or any BJ/KJ installation is found to have more than one out let, it shall be billed as per Tariff Schedule LT 2(a).

TARIFF SCHEDULE LT-2(a)

Applicable to all areas of the HRECS

Applicable to **lighting/combined lighting, heating and motive Power** installations of residential houses and also to such houses where a portion is used by the occupant for (a) Handloom weaving (b) Silk rearing and reeling and artisans using motors up to 200 watts (c) Consultancy in (i) Engineering (ii) Architecture (iii) Medicine (iv) Astrology (v) Legal matters (vi) Income tax (vii) Chartered Accountants (d) Job typing (e) Tailoring (f) Post Office (g) Gold smithy (h) Chawki rearing (i) Paying guests/Home stay guests (j) personal Computers (k) Dhobis (l) Hand operated printing press (m) Beauty Parlours (n) Water Supply installations, Lift which is independently serviced for bonafide use of residential complexes/residence, (o) Farm Houses and yard lighting limiting to 120 Watts. (p) Fodder Choppers & Milking Machines with a connected load up to 1 HP.

Also applicable to the installations of (i) Hospitals, Dispensaries, Health Centers run by State/Central Govt. and local bodies. (ii) Houses, schools and Hostels meant for handicapped, aged destitute and orphans (iii) Rehabilitation Centres run by charitable institutions, AIDS and drug addicts Rehabilitation Centres (iv) Railway staff Quarters with single meter (v) fire service stations.

It is also applicable to the installations of (a) Temples, Mosques, Churches, Gurudwaras, Ashrams, Mutts and religious/Charitable institutions (b) Hospitals, Dispensaries and Health Centres run by Charitable institutions including X-ray units (c) Jails and Prisons (d) Schools, Colleges, Educational institutions run by State/Central Govt./Local Bodies (e) Seminaries (f) Hostels run by the Government, Educational Institutions, Cultural, Scientific and Charitable Institutions (g) Guest Houses/Travelers Bungalows run in Government buildings or by State/Central Govt./Religious/Charitable institutions (h) Public libraries

(i) Silk rearing (j) Museums (k) Installations of Historical Monuments of Archeology Departments (l) Public Telephone Booths without STD/ISD/FAX facility run by handicapped people (m) Sulabh / Nirmal Souchalayas (n) Viswa Sheds having Lighting Loads only.

RATE SCHEDULE

LT 2 (a) (i): Applicable to areas coming under City Municipal Corporations and all areas under Urban Local Bodies in the area of the HRECS

Fixed charges per month	For the first KW	Rs. 30/- per KW
	For every additional KW	Rs. 40/- per KW
Energy charges	For 0 - 30 units (Lifeline consumption)	505 Ps/unit
	31 to 100 units	645 Ps /unit
	101 to 200 units	795 Ps/unit
	Above 200 units	895 Ps/unit

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

Fixed charges per month	For the first KW	Rs.20/- per KW
	For every additional KW	Rs.30/- per KW
Energy charges	For 0 - 30 units (Lifeline consumption)	495 Ps /unit
	31 to 100 units	615 Ps /unit
	101 to 200 units	765 Ps/unit
	Above 200 units	845 Ps /unit

TARIFF SCHEDULE LT-2(b)

Applicable to the installations of Private Professional and other Private Educational Institutions including aided, unaided institutions, Nursing Homes and Private Hospitals having only lighting or combined lighting & heating, and motive power.

RATE SCHEDULE

LT 2 (b) (i): Applicable to all areas coming under Urban Local Bodies Including city and corporations.

Fixed charges	Rs. 45 Per KW subject to a minimum of Rs.75 PM	
Energy charges	0 to 200 units	830 Ps/unit
	Above 200 units	950 Ps/unit

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

Fixed charges	Rs. 35 Per KW subject to a minimum of Rs. 60 PM	
Energy charges	0 to 200 units	775 Ps/unit
	Above 200 units	895 Ps/unit

Note: Applicable to LT-2 (a), LT-2 (b) Tariff Schedules.

- 1 A rebate of 25 Ps. Per unit shall be given for installation of a house/ School/ Hostels meant for Handicapped, Aged, Destitute and Orphans, Rehabilitation Centres run by Charitable Institutions.
- 2 (a) Use of power within the Consumer's premises for temporary purposes for bonafide use is permitted subject to the condition that, the total load of the installation on the system does not exceed the sanctioned load.

(b) Where it is intended to use floor polishing and such other portable equipment temporarily, in the premises having permanent supply, such equipment shall be provided with an earth leakage circuit breaker of adequate capacity.
- 3 The laboratory installations in educational institutions are allowed to install connected machinery up to 4 times the sanctioned load. The fixed charges shall however be on the basis of sanctioned load.
4. Besides lighting and heating, Electricity supply under this schedule can be used for fans, Televisions, Radios, Refrigerators and other house-hold appliances including domestic water pump and air conditioners, provided, they are under single meter connection. If a separate meter is provided for Air conditioner Load, the consumption shall be under commercial tariff till it is merged with the main meter.
5. **SOLAR REBATE:** A rebate of 50 Paise per unit of electricity consumed to a maximum of Rs.50/- per installation per month will be allowed to Tariff schedule LT 2(a), if solar water heaters are installed and used. Where Bulk Solar Water Heater System is installed, Solar Water Heater rebate shall be allowed to each of the individual installations, provided that, the capacity of Solar Water Heater in such apartment / group housing shall be a minimum capacity of 100 Ltr, per household.

TARIFF SCHEDULE LT-3

Applicable to Commercial Lighting, Heating and Motive Power installations of Clinics, Diagnostic Centers, X Ray units, Shops, Stores, Hotels/Restaurants/Boarding and Lodging Homes, Bars, Private guest Houses, Mess, Clubs, KalyanMantaps / Choultry, permanent Cinemas/ Semi Permanent Cinemas, Theatres, Petrol Bunks, Petrol, Diesel and oil Storage Plants, Service Stations/ Garages, Banks, Telephone Exchanges. T.V.Stations,

Microwave Stations, All India Radio, Dish Antenna, Public Telephone Booths/ STD, ISD, FAX Communication Centers, Stud Farms, Race Course, Ice Cream Parlours, Computer Centres, Photo Studio / colour Laboratory, Xerox Copiers, Railway Installation excepting Railway workshop, KSRTC Bus Stations excepting Workshop, All offices, Police Stations, Commercial Complexes, Lifts of Commercial Complexes, Battery Charging units, Tyre Vulcanizing Centres, Post Offices, Bakery shops, Tailoring Shops, Beauty Parlours, Stadiums other than those maintained by Govt. and Local Bodies. It is also applicable to water supply pumps and street lights not covered under LT 6, Cyber cafés, Internet surfing cafés, Call centers, Information Technology (IT) enabled services, I.T. based medical transcription centers, **Private Hostels not covered under LT -2 (a), Paying guests accommodation provided in an independent / exclusive premises.**

RATE SCHEDULE

LT-3 (i): Applicable in areas under all urban local bodies including city Municipal corporations

Fixed charges	Rs. 50 per KW	
Energy charges	For 0 - 50 units	920 Ps /unit
	Above 50 units	1020 Ps /unit

Demand based tariff (optional) where sanctioned load is above 5 KW but below 50 KW		
Fixed charges	Rs. 65 per KW	
Energy charges	As above	

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

Fixed charges	Rs. 40 per KW	
Energy charges	For 0 - 50 units	870 Ps /unit
	Above 50 units	970 Ps /unit

Demand based tariff (optional) where sanctioned load is above 5 KW but below 50 KW		
Fixed charges	Rs. 55 per KW	
Energy charges	As above	

Note: 1. Besides Lighting, Heating and Motive power, Electricity supply under this Tariff can also be used for Yard lighting/ air Conditioning/water supply in the premises.

2. The semi permanent Cinemas should have semi Permanent Structure with permanent wiring and licence for a duration of not less than one year.

3. Touring Cinemas having an outfit comprising Cinema apparatus and accessories taken from place to place for exhibition of cinematography film and also outdoor shooting units shall be billed under LT- 7 Tariff.
4. A rebate of 20% on fixed charges and energy charges shall be allowed in the monthly bill in respect of telephone Booths having STD / ISD/FAX facility run **by handicapped people.**
5. **Demand based Tariff at the option of the Consumer can be adopted as per Para 1 of the conditions applicable to LT installations.**

TARIFF SCHEDULE LT-4 (a), LT-4 (b) & LT-4(c)

Applicable to (a) Agricultural Pump Sets including Sprinklers (b) Pump sets used in (i) Nurseries of forest and Horticultural Departments (ii) Grass Farms and Gardens (iii) Plantations other than Coffee, Tea ,Rubber and Private Horticulture Nurseries

**TARIFF SCHEDULE LT-4 (a)
Applicable to I.P. Sets Up to and inclusive of 10 HP
RATE SCHEDULE**

Fixed charges	CDT
Energy charges	

Commission Determined Tariff (CDT) for LT4 (a) category is 668 Paise per unit

In case the GOK does not release the subsidy in advance in the manner specified by the Commission in K.E.R.C. (Manner of Payment of subsidy) Regulations, 2008, CDT of 668 Paise per unit shall be demanded and collected from these Consumers.

Note: 1) This Tariff is applicable for Coconut and Areca nut plantations also.

**TARIFF SCHEDULE LT-4 (b):
Applicable to IP sets above 10 HP
RATE SCHEDULE**

Fixed charges	Rs. 40 per HP per month.
Energy charges	485 paise per unit

TARIFF SCHEDULE LT-4 (c)(i):

Applicable to Private Horticultural Nurseries, Coffee, Tea and Rubber plantations of sanctioned load up to & inclusive of 10 HP.

RATE SCHEDULE

Fixed charges	Rs. 30 per HP per month.
Energy charges	485 paise per unit

TARIFF SCHEDULE LT-4 (c)(ii):

Applicable to Private Horticultural Nurseries, Coffee, Tea and Rubber plantations of sanctioned load above 10 HP.

RATE SCHEDULE

Fixed charges	Rs. 40 per HP per month.
Energy charges	485 paise per unit

Note:

- 1) The energy supplied under this tariff shall be used by the Consumers only for Pumping water to irrigate their own land as stated in the I.P. Set application / water right certificate and for bonafide agriculture use. Otherwise, such installations shall be billed under the appropriate Tariff (LT-3/LT-5) based on the recorded consumption if available, or on the consumption computed as per the Table given under Clause 42.06 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.
- 2) The motor of IP set installations **can be used with an alternative drive for other agricultural operations like sugar cane crusher etc.**, with the approval of the Licensee. The energy used for such operation shall be metered separately by providing alternate switch and charged at LT Industrial Tariff (Only Energy charges) during the period of alternative use. If the energy used both for IP Set and alternate operation, is however measured together by one energy meter, the energy used for alternate drive shall be estimated by deducting the average IP Set consumption for that month as per the IP sample meter readings for the sub division as certified by the sub divisional Officer.
- 3) The Consumer is permitted to use the energy for lighting the pump house and well limited to 2 lighting points of 40 W each.
- 4) The water pumped for agricultural purposes may also be used by the Consumer for his bonafide drinking purposes and for supplying water to

animals, birds, Poultry farms, Dairy farms and fish farms maintained by the Consumer in addition to agriculture.

- 5) Billing shall be made at least once in a quarter year for all IP sets.
- 6) A rebate of 2 paise per unit will be allowed if capacitors are installed as per Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka in respect of all metered IP Set Installations.
- 7) Only fixed charges as in Tariff Schedule for Metered IP Set Installations shall be collected during the disconnection period of IP Sets under LT 4(a), LT 4(b) and LT 4(c) categories irrespective of whether the IP Sets are provided with Meters or not.

TARIFF SCHEDULE LT-5

Applicable to **Heating & Motive power (including lighting)** installations of industrial Units, Workshops, Poultry Farms, Sugarcane Crushers, Coffee Pulping, Cardamom drying, Mushroom raising installations, Flour, Huller & Rice Mills, Wet Grinders, Milk dairies, **Ironing**, Dry Cleaners and Laundries having washing, Drying, Ironing etc., **exclusive Tailoring Shops**. Bulk Ice Cream and Ice manufacturing Units, Coffee Roasting and Grinding Works, Cold Storage Plants, Bakery Product Mfg. Units, KSRTC workshops/Depots, Railway workshops, Drug manufacturing units and Testing laboratories, Printing Presses, Garment manufacturing units, Bulk Milk vending Booths, Swimming Pools of local Bodies, Tyre retreading units, Stone crushers, Stone cutting, Chilly Grinders, Phova Mills, pulverizing Mills, Decorticators, Iron & Red-Oxide crushing units, crematoriums, hatcheries, Tissue culture, Saw Mills, Toy/wood industries, Viswa Sheds with mixed load sanctioned under Viswa Scheme, Cinematic activities such as Processing, Printing, Developing, Recording theatres, Dubbing Theatres and film studios, Agarbathi manufacturing unit., Water supply installations of KIADB & industrial units, Gem & Diamond cutting Units, Floriculture, Green House, Biotech Labs., Hybrid seed processing units. Information Technology industries engaged in development of hardware & Software, Information technology (IT) enabled services/ Start-UPS/Animation/ Gaming / Computer Graphics as certified by the IT & BT Department of GOK/GOI, Silk filature units, Aqua Culture, Prawn Culture, Brick manufacturing units, Silk / Cotton colour dyeing, Stadiums maintained by Govt. and local bodies, Fire service stations, Gold / Silver ornament manufacturing units, Effluent treatment plants, Drainage water treatment plants, LPG bottling plants and petroleum pipeline projects, Piggery farms, Analytical Lab. for analysis of ore metals, Satellite communication centers, Mineral water processing plants / drinking water bottling plants and soda fountain units.

RATE SCHEDULE

LT 5 (b): Applicable to all the areas of HRECS

I. Fixed charges

Fixed charges	i) Rs. 30 per HP for 5 HP & below ii) Rs. 35 per HP for above 5 HP & below 40 HP iii) Rs. 40 per HP for 40 HP & above but below 67 HP iv) Rs. 100 per HP for 67 HP & above
---------------	---

II. Demand based Tariff (optional)

Fixed charges	Above 5 HP and less than 40 HP	Rs. 50 per KW of billing demand
	40 HP and above but less than 67 HP	Rs. 65 per KW of billing demand
	67 HP and above	Rs. 150 per KW of billing demand

iii. Energy Charges

0 to 500 units	690 Ps/unit
501 to 1000 units	775 Ps/unit
Above 1000 units	805 Ps/unit

TOD Tariff applicable to LT-5: At the option of the Consumer

Time of Day	Increase+ / reduction (-) in energy charges over the normal tariff applicable
22.00 Hrs to 06.00 Hrs	(-) 125 paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	+ 100 paise per unit

NOTE:

1. DEMAND BASED TARIFF

In the case of LT Industrial Consumers, Demand based Tariff at the option of the Consumer can be adopted. The Consumer is permitted to have more connected load than the sanctioned load. The billing demand will be the sanctioned load or Maximum Demand recorded in the Tri-Vector Meter during the month which ever is higher. If the Maximum Demand recorded is more than the sanctioned load, penal charges at two times the normal rate shall apply.

2. **Seasonal Industries:** The industries which intend to utilize seasonal industry benefit shall comply with the conditionalities under para no. 26 of general terms and conditions applicable to LT.
3. Electricity can also be used for lighting, heating, and air-conditioning in the premises.
4. In the case of welding transformers, the connected load shall be taken as (a) Half the maximum capacity in KVA as per the name plate specified under-IS1851 or (b) Half the maximum capacity in KVA as recorded during rating by the Licensee, whichever is higher.

TARIFF SCHEDULE LT-6

Applicable to water supply and sewerage pumping installations **and also Applicable to water purifying plants maintained by Govt. and urban Local Bodies/Gram Panchayats for supplying pure drinking water to residential areas** Public Street lights/Park lights_of village Panchayat, Town Panchayat, Town Municipalities, City Municipalities / Corporations / State and Central Govt. / APMC, Traffic signals, Surveillance Camers ar Traffic location belonging to Govt. Departments,subways, water fountains of local bodies. Also applicable to Streetlights of residential Campus of universities, other educational institutions, housing colonies approved by local bodies/development authority, religious institutions, organizations run on charitable basis, industrial area / estate and notified areas,also Applicable to water supply installations in residential Layouts, Street lights along with signal lights and associated load of the gateman hut provided at the Railway level crossing

RATE SCHEDULE

Water Supply- LT-6 (a)	
Fixed charges	Rs. 45/HP/month
Energy charges	595 Ps/unit
Public lighting- LT-6 (b)	
Fixed charges	Rs. 60/KW/month
Energy charges	755 Ps/unit
Energy charges for LED/Induction lighting	655 Ps/unit

TARIFF SCHEDULE LT-7

Temporary Supply & Advertising Hoarding

TARIFF SCHEDULE LT-7(a)

Applicable to Temporary Power supply for all purposes.

LT 7(a)	Details	Approved Tariff
Temporary Power supply for all purposes	Less than 67 HP:	Energy charge at 1155 Ps/unit, subject to a weekly minimum of Rs. 170 per KW of the sanctioned load.

TARIFF SCHEDULE LT-7(b)

Applicable to Hoarding & Advertisement boards, Bus Shelters with Advertising . 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
Temporary Power supply permanent connection basis	Less than 67 HP:	Fixed charges at Rs.50 per KW/Month Energy charge at 1155 Ps/unit,

Note:

1. Temporary power supply with or without extension of distribution main shall be **arranged through either a postpaid or pre-paid energy meter**, as the case may be, duly observing the provisions of Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.
2. This Tariff is also applicable to touring cinemas having licence for duration less than one year.
3. All the conditions regarding temporary power supply as stipulated in Clause 12 the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be complied with before service.

- O -