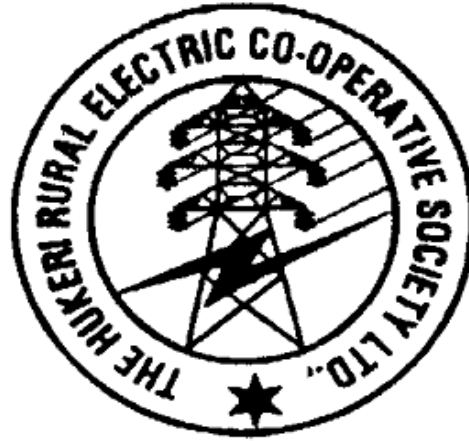


THE HUKERI RURAL ELECTRIC CO-OPERATIVE SOCIETY LTD., HUKERI

DIST: BELGAUM (Karnataka)



Annual Revenue Requirement & Tariff Appalication for FY-16

Registered Office
HUKERI
Hukeri Taluka
Belgaum Dist - 591309



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

Dist.:BELGAUM. [Karnataka State]

ಹುಕ್ಕೇರಿ ಗ್ರಾಮೀಣ ವಿದ್ಯುತ್ ಸಹಕಾರಿ ಸಂಘ, ನಿಯಮಿತ.

ಹುಕ್ಕೇರಿ - ೫೯೧೩೦೯.

ಜಿಲ್ಲೆ : ಬೆಳಗಾವಿ (ಕರ್ನಾಟಕ ರಾಜ್ಯ)

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

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

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

Ref. No.: Accts/2014-15/

Date:

To,

The Reciving Officer

Karnataka Electricity Regulatory Commission

6th & 7th Floor, Mahalaxmi Chambars,

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

Bengaluru – 560001,

Sir,

Sub:- Submission of ARR & Tariff Application for FY-16

We are herewith submitting the ARR & Tariff Application for FY-16 of our Society in six sets with Affidavit supporting the same & one soft copy of the same for kind consideration & approval of the commission. The necessary fees paid by the society through DD No. 374750 dated 28-11-204, Karnataka Co-Operative Apex Bank Ltd., Bengaluru.

Yours faithfully

Sd/-

Managing Director

ARR & TARIFF Application for FY-16

Sl No.	Particulars	Page No.
1	Affidavit	1
2	Application for ARR & Tariff Application for FY-16	3
3	Introduction	4
4	Statutory Adherence	4
5	Brief set of facts	5
6	Tariff data	6
7	Compliance to Commission directives	14
8	Annual Reveiw performance	18
9	Energy input at inter points	19
10	Sale forecast	20
11	Number of Installations	21
12	Energy sales	22
13	Energy requirements	24
14	Revenue from sale of Power	25
15	O & M costs	27
16	Depreciation	29
17	Interest charges	31
18	Other Debits	33
19	Return on Equity	33
20	Power purchase for FY-16	34
21	Annual Revenue Requirements	34
22	Sectorial Energy forecast FY-16	35
23	Annual Revenue Requirment FY-16	55
24	Surplus/Deficit	58
25	Tariff Revision proposals	58
26	Prayer	72
27	Electrical Power Tariff FY-2015-16	73
28	Statement Showing transformer failure & MNR Meter	105
29	Avarage Run of IP set per day	106
30	Distribution of Loss	107
31	Capital Outlay	108
32	Profit & Loss Accounts	109
33	Balance Sheet	110
34	Cash flow statement	111
35	Return on Equity	113

36	Revenue requirement	114
37	Cost of power purchase	115
38	Revenue from sale of Power	117
39	Revenue subsidies & Grants	119
40	Non-Tariff Income	120
41	Repair & Maintenance	121
42	Employees cost	122
43	Employees Additional Information	123
44	Administration & General Charges	124
45	Depreciation charges	125
46	Loan, Debentures & Interest Charges	127
47	Sale & lease Back of Assets	132
48	Interest on Working Capital	135
49	Expenses capitalised	136
50	Other Debits (Consumer security deposit)	137
51	Extra Ordinary Items	138
52	Contribution Grants & Subsidies towards cost of capital Assets	140
53	Gross fixed Assets	142
54	Net fixed Assets	144
55	Work in Progress	146
56	DCB 2013-14	147
57	Energy Flow Digram	148
58	Commercial loss identified	151
59	Existing Tariff	152
60	Revenue at existing tariff 2014-15 & existing & proposed Tariff 2015-16	154

TABLES OF ERC FORMS

Form No.	Particulars	Page No.
A1	Profit & Loss Account	109
A2	Balance Sheet as at the end of the year	110
A3	Cash flow Statement for the year	111-112
A4	Return on Equity	113
A5	Revenue requirement	114
D1	Cost of power purchase with Annexure	115-116
D2	Revenue from sale of power	117-118
D3	Revenue from subsidies and grants	119
D4	Non-tariff income	120
D5	Repairs and maintenance cost	121
D6	Employee cost	122
D6A	Employees Additional Information	123
D7	Administration and General Charges	124
D8	Depreciation	125-126
D9	Loans and debentures and interest Charges	127-131
D9A	Sale and leaseback assets	132-134
D9C	Interest on working capital	135
D10	Details of expenses capitalized	136
D11	Other debits Interest on Security Deposit	137
D12	Extra ordinary items	138-139
D14	Contributions, Grants and subsidies towards cost of capital assets	140-141
D15	Gross fixed assets	142-143
D16	Net fixed assets	144-145
D17	Work in progress Distribution	146
D18	Consolidated Tariff wise DCB for year 2013-14	147
D19	Energy flow Diagram	148-150
D19A	Commercial Losses Identified and Assessed	151
D20	Existing & Proposed Tariff	152-153
D21	Revenue at Current Tariff charges for FY-15 & FY-16	154-169

ARR & ERC Application for Control Period of FY-16

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	Bhagya Jyothi
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
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
RGY	Rajeeva Gandhi Grammin Vidyudhikaran Yojana
REC	Rural Electrification Corporation
R&M	Repair & Maintenance
RoE	Return on Equity
RoE	Rate of Return
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 REVISION OF AGRIGATE REVENUE REQUIREMENT (ARR) FOR
FY16 AND TARIFF FILLING FOR THE PERIOD COMMENSING FROM
01-04-2015.**

AND

IN THE MATTER OF:

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

HUKERI TALUKA, BELAGAVI DIST - 591 309

...APPLICANT

AFFIDAVIT

I, Revappa Boragi, son of Basappa Boragi, aged about 62 years working as Managing Director of the Applicant and residing at Hukkeri, 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 28th Day of November 2014 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: Hukkeri

DEPONENT

Date : 28-11-2014

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 REVISION OF AGRIGATE REVENUE REQUIREMENT (ARR) FOR
FY16 AND TARIFF FILLING FOR THE PERIOD COMMENSING FROM
01-04-2015.

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 TARIFF FILING FOR FY 2015-16

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.

2.0 Statutory Adherence

- 2.1. Hukkeri Rural Electric Co-operative Society Limited (hereinafter called as the “**Applicant**” or “**HRECS**”) is submitting this application for revision of Annual Revenue Requirement (ARR) for FY 16 and tariff filing for the period commencing from 01-04-2015 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 for the revision of ARR approved for FY -16, in its Tariff Order dated 20-06-2013, before the Hon’ble Commission for the third year of the control period between FY 2014 to FY 2016, and Tariff filing for FY -16, under the MYT Regime, for the kind consideration and approval of the Hon’ble Commission.
- 2.3. The projected numbers are based on actual audited accounts for FY -12, FY -13 and FY -14, the actual unaudited figures from

01-04-2014 up to 30th September 2014 and projected period from 1-10-2014 upto 31-03-2015 and revised numbers for FY-16, respectively; 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 required.

- 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 31st October 2014 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 of Belgaum District of Karnataka State.

4.0. Tariff Data

The data for the years from FY- 12 to FY - 14 are based on audited accounts. The data for the FY 2015 are based on the actuals up to 30th September 2014 and estimation from 1st October 2014 to 31st March 2015. The projections for the control period for FY-16 have been arrived as per CAGR from FY - 12 to FY - 14 and expectations of the Applicant. 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 83213 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 109047 installations.

5.1. Consumer Profile as on 31st March, 2014

TABLE 1: Consumer Profile

Sl. No.	Tariff Category	Number of Installations
1.	LT-1	8147
2.	LT - 2 (a)	69195
3.	LT - 2 (b)	69
4.	LT - 3	5246
5.	LT - 4 (a)	23336
6.	LT - 4 (b)	9
7.	LT-4 (c)	2

8.	LT – 5	1963
9.	LT – 6 (Street Lights)	361
10.	LT -6 (Water Supply)	574
11.	LT -7 (Temporary)	124
	LT Sub Total	109026
12.	HT-1	4
13.	HT-2 (a)	5
14.	HT – 2 (b)	5
15.	HT – 2 (c)(i)	1
16.	HT – 2 (c)(ii)	2
17.	HT – 3	4
	HT Sub Total	21
	GRAND TOTAL	109047

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 Hukkeri Taluka. Thereafter, KERC was constituted under the Karnataka Electricity Reforms 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, 2014 held by the HRECS are worth about Rs. 43.76 crores.

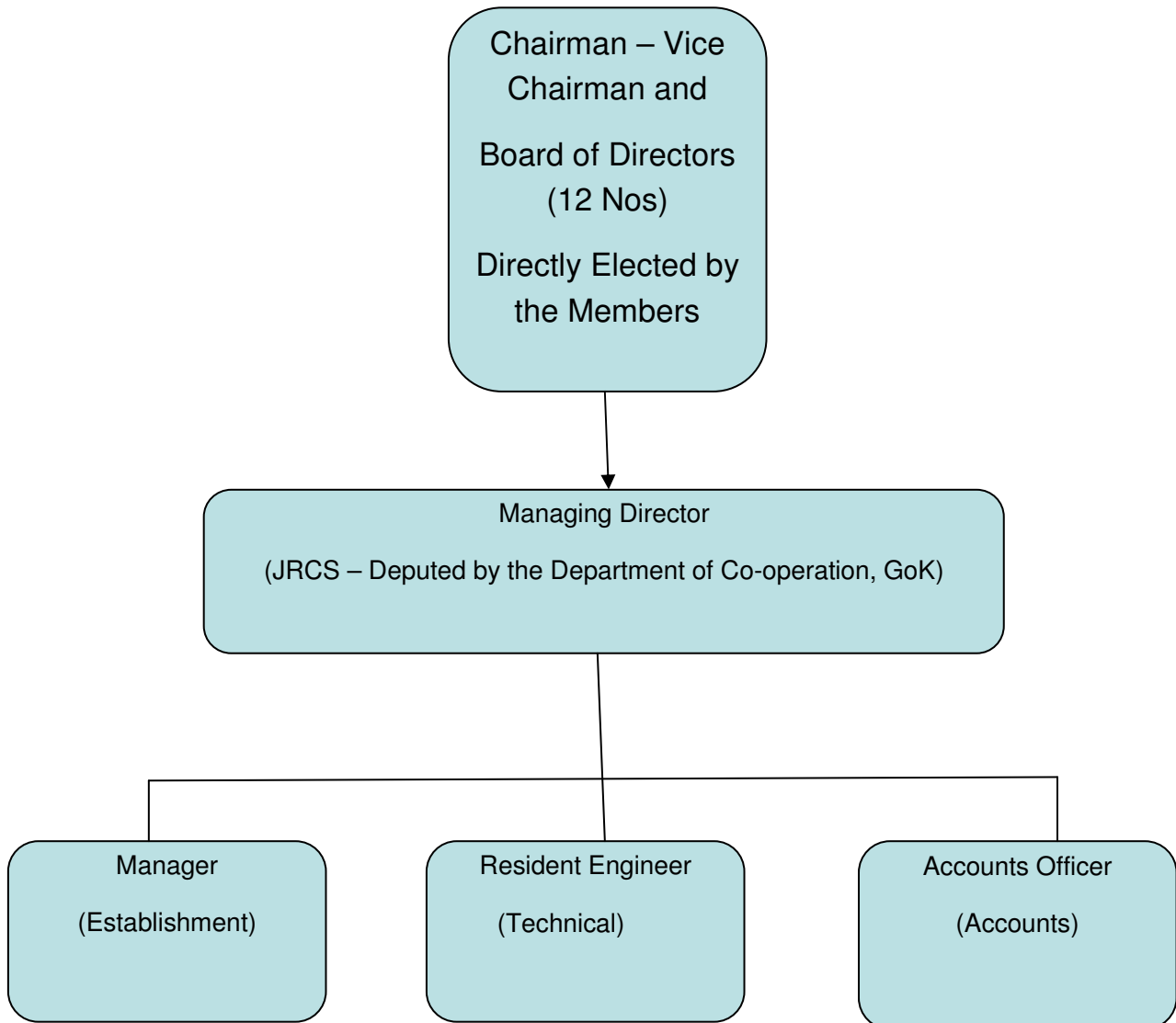
5.4. Membership

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 2014 there are 83,213 members who have paid the share amount of Rs. 4.76 crores including the State Government share amounting to Rs. 41.70 Lakhs.

5.5. Work Division

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

1. Hukkeri East
2. Hukkeri West
3. Sankeshwar
4. Yamakanamaradi
5. Hidakal Dam



5.6. Master Unit Sub Stations (MUSS)

The total connected load of the HRECS is around 175 MW. To meet this demand the following Sub Stations are functioning at Hukkeri:-

1. Hukkeri - 2 Nos. x 10 MVA Transformers – 110 / 11 kV Sub-station
2. Hidakal Dam - 2 x 10 MVA Transformers – 110 / 11 kV Sub-station
3. Sankeshwar - 2 Nos. x 10 MVA Transformers – 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 1864 number of DTCs with various capacities as on 31st March, 2014.

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.	Hukkeri East and West	08333 - 265030
2.	Sankeshwari	08333 - 273396
3.	Yamakanamaradi	08333 - 276245
4.	Hidkal Dam	08333 - 263230

5.9. Employees Strength

5.9.1. 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 HRCES is about 162 and Temporary staff numbering 155, as on this date.

5.9.2. It is submitted that in 1986, there was only one 110 kV sub-station and only 2 sub-stations of 33 kV capacity. Presently, the power requirements of the HRECS have been catered by six 110 kV and two 33 kV substations. The total number of consumers in 1986 was about 30,000, which is more than tripled over last 28 years. The appended list at Form - D6A shows the particulars of sanctioned and working employees comprehensively.

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

Hukkeri, 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:

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 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 in the previous ERC filling, itself. Hon'ble Commission is yet to take a decision on this prayer.

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 has already been submitted before the Hon'ble Commission for approval. In this application, the power purchase cost is assumed as Rs. 3.47 per unit assumed for FY 16 as per MYT order. This assumption is subject to the approval of the Hon'ble Commission.

- 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 74% of power is consumed by IP Sets (Agriculture). The cross subsidy element has 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 10th July, 2014. In the said tariff order, the Hon'ble Commission determined tariff for IP Sets below 10 HP as Rs. 4.67 per each unit supplied to IP Sets, below 10 HP. The Society has been claiming Rs. 4.67 per each unit of power supplied to IP Sets below 10 HP, as subsidy from GoK as per the Tariff Order dated 10-07-2014. 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 KERC, 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. 22.92 crores is due from Gok towards IP Set subsidy and Rs. 3.69 lakhs towards weavers, which were all accounted in the books of accounts of the HRECS, in its accounts for FY 14. This amount is subject to the APR by the Hon'ble Commission, for FY 14. 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. Reduction in the Distribution losses

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

Commission's Views in the previous tariff order:

The Commission noted that the Hukeri RECS has not implemented HVDS programme in its jurisdiction. The Commission reiterated its directive on implementation of HVDS and directed Hukeri RECS to formulate a time bound action plan immediately to implement the same initially in a part of its jurisdiction as per the guidelines issued by the Commission without any further delay as the area of operation of the society is a compact one. Hukeri RECS was directed to submit the compliance in this regard to the Commission at the earliest.

HRECS Compliance:

The HRECS submits that in a MMR meeting held on 10-3-2014, in the Chairmanship of the Addl. Chief Secretary, it was observed that the project was not viable in the point of view of the Companies and the Scheme would be implemented after reviewing the working of the experimental project being implemented at Tumkur Rural Sub-division of BESCOM. The HRECS is awaiting the result of the said review.

ii. Demand 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, at least in one Sub-Division in its jurisdiction.

Commission's Views in the previous tariff order:

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. On similar lines, Hukeri RECS can take up the matter with M/s EESL for replacement of inefficient Irrigation Pump sets by energy efficient Pump sets and submit compliance in this regard at the earliest.

HRECS Compliance:

The HRECS will take up the matter with M/s Energy Efficiency Services Limited (EESL), New Delhi for replacement of inefficient irrigation pump sets by energy efficient pump sets. However HRECS requires separate man power to assess the capacity of the IP set required for replacing the existing the IP sets, capital outlay, fund required etc. The said task can't be completed at the present level of man power and financial capacity unless external support is given to the HRECS.

iii. Nirantara Jyothi – Feeder Separation

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

Commission's Views in the previous tariff order:

The Commission notes that there has been a delay in implementation of NJY scheme by Hukeri RECS and it is likely to be completed by August 2014, as was indicated in the public hearing on 6th June 2014. Commission directs the Hukeri RECS to hasten the pace of works under NJY and commission the feeders immediately and submit compliance of the same to the Commission early.

HRECS Compliance:

The Society has implemented the NJY Scheme in 10 feeders out of 19 feeders and the work pertaining to the remaining 9 feeders are expected to complete by March 2015.

iv. 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 in the previous tariff order:

The Commission reiterates its directive to Hukeri RECS to continue to ensure that the distribution transformers installed in its jurisdiction are of optimum capacity with

regard to loads catered to reduce losses in the distribution system and to submit compliance of the same to the Commission regularly.

HRECS Compliance:

Being Implemented

v. 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 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 in the previous tariff order:

The Commission notes that, the action taken by Hukeri RECS at present is general in nature and does not constitute an effective measure of addressing consumer complaints and hence, directs the Hukeri RECS to establish Service Center in each O&M Section to effectively deal with consumer complaints.

Further, the Commission directs the Hukeri RECS to initiate action to create a "Consumer Grievance Redressal Cell" to effectively address all the grievances of the consumers in its jurisdiction without any further delay and report the compliance thereof to the Commission early.

HRECS Compliance:

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 in CGRF to be constituted by the Hon'ble Commission and requested the Hon'ble Commission to constitute the CGRF by nominating independent person in accordance with the KERC Regulations vide HRECS letter No. 3668 Dtd 13.12.2013. The matter is still under the consideration of the Hon'ble Commission. The HRECS assures that the CGRF will start functioning immediately after due constitution of CGRF by the Hon'ble Commission.

9. ANNUAL PERFORMANCE REVIEW (APR) FOR FY -14.

A separate application for Annual Performance Review (APR) is being filed by the HRECS, for FY – 14, for the consideration of the Hon'ble Commission.

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
2010-11	205.93	12.38
2011-12	228.21	10.82
2012-13	257.19	12.70
2013-14	270.37	5.12
2014-15 (From 01-04-2014 to 30-09-2014) actual	133.88	5.50
2014-15 (From 1-10-2014 to 31-03-2015) Estimated	151.35	

TABLE 3:**Quantum of input energy for FY 16:**

quantum of Input at Interface points (MU) AS approved by the Hon'ble Commission	Proposed revised quantum of Input at Interface points (MU)
310.95	296.10

The quantum of energy input and sales for the previous years are depicted in the above tables. When compared to the previous year for FY 11, the percentage growth of energy input for FY -12 FY-13, FY -14 and FY-15 at 11 KV interface points are 12.38%, 10.82% and 12.70% and 5.12% and 5.50% respectively.

The HRECS is anticipating growth in power demand in FY 16 compared to the power consumption of 285.23 MU in FY 15, based on the power demand experienced during this year and calculated as per CAGR. The estimated power purchase cost at the rate of Rs. 3.478 per unit is Rs. 10700.07 lakhs. The HRECS

prays the Hon'ble Commission to revise the quantum of power purchase and the cost power purchase, for FY 16, as proposed here in the ARR of FY -16, approved in the order dated 20-6-2013, accordingly.

TABLE 4: Quantum of energy sales

Year	Actual quantum of Sales (MU)	Percentage Growth over previous year
2010-11	174.23	12.11
2011-12	193.28	10.92
2012-13	218.85	13.23
2013-14	229.12	4.69
2014-15	239.11	4.36

11 SALE FORECAST FOR FY 16:

Based on the CAGR of sale of previous years, the sale forecast for FY-16 is 249.29 MU, which is against 254.49 MU approved by the Hon'ble Commission. The revenue realizable to this sale is Rs. 12065.93 lakhs at the current tariff rate. The HRECS prays the Hon'ble Commission to revise the quantum of sale of power and revenue, as proposed here in the ARR of FY -16, approved in the order dated 20-6-2013.

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 control period 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-11 to FY-14. Due to various reasons, some of 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 from FY-11 to FY-14 and growth rate as per CAGR formula for control period of FY-15 and FY-16 are as follows:

Table 5: Number of Installations and Growth Rate

Tariff	FY11 in No's	FY12 in No's	FY13 in No's	FY14 in No's	Yn= FY-14	Y1= FY-11	n=4	CAGR	FY15 in No's	FY 16 in No's
					1/(n-1)	Yn/Yi	Yn/Yi^(1/(n-1))	[(Yn/Yi)^(1/(n-1))-1]*100		
LT-1-BJ	0	0	533	8147	0.33	0.00	0.00	0.00	14811	14811
LT-2(a)(i) U	11996	12182	12614	12939	0.33	1.08	1.03	2.55	13270	13608
LT-2(a)(ii) V	53398	54408	55559	56256	0.33	1.05	1.02	1.75	57242	58246
LT -2(b) (i) U	33	34	39	36	0.33	1.09	1.03	2.94	37	38
LT -2(b) (ii) V	28	27	29	33	0.33	1.18	1.06	5.63	35	37
LT-3(i) U	2286	2285	2332	2397	0.33	1.05	1.02	1.59	2435	2474
LT-3(ii) V	2772	2778	2832	2849	0.33	1.03	1.01	0.92	2875	2902
LT-4(a)	19397	21752	22711	23336	1.00	1.03	1.03	2.75	23978	24638
LT-4(b)	9	9	9	9	0.33	1.00	1.00	0.00	9	9
LT-4©	2	2	2	2	0.33	1.00	1.00	0.00	2	2
LT-5	1686	1760	1875	1963	0.33	1.16	1.05	5.20	2065	2173
LT-6(a)WS	548	551	558	574	1.00	1.03	1.03	2.87	590	607
LT-6(b)STL	249	254	354	361	1.00	1.02	1.02	1.98	368	375
LT-7	160	107	39	124	0.50	1.16	1.08	7.65	133	144
LT Total	92564	96149	99486	109026	0.33	1.18	1.06	5.61	117850	120064
HT-1WS	3	3	4	4	0.33	1.33	1.10	10.06	4	5
HT- 2(a)	5	5	6	5	0.33	1.00	1.00	0.00	6	6
HT-2(b)	5	6	7	5	0.33	1.00	1.00	0.00	5	5
HT-2(c) (i)	0	0	0	1	0.33	0.00	0.00	0.00	1	1
HT-2(c) (ii)	0	0	0	2	0.33	0.00	0.00	0.00	2	2
HT-3(a)(i)	4	4	4	4	0.33	1.00	1.00	0.00	4	4
HT Total	17	18	21	21	0.33	1.24	1.07	7.30	22	23
LT+HT Total	92581	96167	99507	109047	0.33	1.18	1.06	5.61	117872	120087

Note: The abnormal variations in growth such as minus growth are avoided/not taken into account, for further estimation

CAGR is calculated as under:

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

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

For estimating CAGR for the period FY-2011 to FY-2014

Y_n is the data pertaining to FY-2014

Y_i is the data pertaining to FY-2011 and $n=4$

13 Energy Sale:

In order to arrive at the estimated energy sale for the entire control period, HRECS has made assumption that the number of consumers would increase as estimated in the above Table and power supply would be available to consumers in all years as follows:

- 1) 24 hours supply will be available to urban consumers;
- 2) 6 hours 3 phase and 11 hours single phase supply will be arranged to consumers in rural areas;
- 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.

The number of installations from FY-11 to FY-14 and growth rate as per CAGR formula for control period of FY-15 and FY-16 are as follows:

Table 6: Energy sales as per CAGR

Tariff	FY-11 in Units	FY12 in Units	FY13 in Units	FY14 in Units	Yn= FY-14	Yi= FY-11	n=4	CAGR	FY15 in Units	FY 16 in Units
					1/(n-1)	Yn/Yi	$Y_n/Y_i^{1/(n-1)}$	$[(Y_n/Y_i)^{1/(n-1)} - 1] * 100$		
LT-1-BJ (Below 18 units)	0	0	2897	547531	0.33	0.00	0.00	0.00	902008	902008
LT-2(a)(i) U	5911902	6360461	6748782	7202247	0.33	1.22	1.07	6.80	7692159	8215397
LT-2(a)(ii) V (including BJ above 18 units)	13609304	14031257	14245250	15491829	0.33	1.14	1.04	4.41	16175521	16889387
LT -2(b) (i) U	47195	92368	94557	103604	0.33	2.20	1.30	29.97	134649	174997
LT -2(b) (ii) V	43661	48905	32040	67892	0.33	1.55	1.16	15.85	78655	91125
LT-3(i) U	2192388	2202676	2239785	2381302	0.33	1.09	1.03	2.79	2447824	2516204
LT-3(ii) V	2121956	2362494	2684085	2940307	0.33	1.39	1.11	11.49	3278019	3654519
LT-4(a)	125794473	142371539	165011051	170174347	1.00	1.03	1.03	3.13	175499206	180990682
LT-4(b)	57749	106563	85128	30763	0.33	0.53	0.81	18.94	65478	65478
LT-4©	2505	2169	9729	1746	0.33	0.70	0.89	11.34	3702	3702
LT-5	4034415	4436728	4461852	4580726	0.33	1.14	1.04	4.32	4778800	4985440
LT-6(a)WS	4746706	5019284	5121311	5539840	0.33	1.17	1.05	5.29	5832645	6140925
LT-6(b)STL	2689975	2178213	2116835	2248168	1.00	1.06	1.06	6.20	2387649	2535784
LT-7	46919	25614	101021	93931	0.33	2.00	1.26	26.03	118385	149205
LT Total	161299148	179238271	202954323	211404233	0.33	1.31	1.09	9.44	219394700	227314853
HT-1WS	4143218	4140601	4223722	4191706	0.33	1.01	1.00	0.39	4207994	4224346
HT- 2(a)	6648812	6803686	8508254	10449340	0.33	1.57	1.16	16.26	12148905	14124901
HT-2(b)	563037	699791	940099	540266	0.33	0.96	0.99	-1.37	591812	591812
HT-2(c) (i)	0	0	0	46196	0.33	0.00	0.00	0.00	46196	46196
HT-2(c) (ii)	0	0	0	327107	0.33	0.00	0.00	0.00	327107	327107
HT-3(a)(i)	1582743	2398429	2227310	2160518	0.33	1.37	1.11	10.93	2396663	2658620
HT Total	12937810	14042507	15899385	17715133	0.33	1.37	1.11	11.04	19718677	21972982
LT+HT	174236958	193280778	218853708	229119366	0.33	1.31	1.10	9.56	239113377	249287835

The classification maintained in the DCB statements for the month of April-13 to March-14 are taken into account for classification of Urban and Rural categories.

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 Control Period estimated and actuals are as follows:

Table 7: Energy requirement for the previous period

Particulars	FY-12		FY-13		FY-14	
	KERC approved	Actual	KERC approved	Actual	KERC approved	Actual
Energy Purchase from HESCOM (MU) including Transmission loss	217.34	228.20	248.70	257.19	284.87	270.37
LESS Trans. Loss (MU)	-	34.93	-	38.71	-	41.26
Energy Sold (MU)	-	193.82	-	218.85	-	229.11
Distribution Loss (%)	14.25%	15.30%	14.00%	14.91%	15.00%	15.26%

Table 8: Estimation of Energy requirement for control period

Particulars	FY-16
Energy Purchase from HESCOM (MU)	296.10
LESS Trans Loss (MU)	46.81
LESS Trans Loss %	15.81%
Energy Available (MU)	249.29

- 14.2 Energy Requirement of the HRECS for the year FY-16 as per CAGR will be 296.10 MUs.

TABLE 9: The recorded consumption for FY 14

Urban consumption	12.60 MU	5.50 %
Rural consumption	216.52 MU	94.50 %
Total	229.12 MU	100 %

- 14.3 Based on this, the energy requirements for control period have been worked out on pro-rata basis, for the hours of supply as noted above.

Table 10:

Sl. No.	Financial year	Urban consumption in Units	Rural consumption in Units	Total in Units
1	FY-2015	13151236	225962141	239113377
2	FY-2016	13655831	235632004	249287835

Note: For FY 15, the figures shown above has been arrived after aggregating the actuals up to 30th September 2014 and estimated for the period from 1-10-2014 till 31-3-2015.

15 Revenue from sale of power:

15.1. Table 11: Revenue details:

SL. No.	Category of consumer	Actual Revenue for FY12	Actual Revenue for FY13	Actual Revenue for FY14
	LT Installations			
1	BhagyaJyothi / KutirJyothi	Nil	19794.00	4594429
2	Domestic (All electric home & domestic lighting)	59426858.00	70701640.00	79431156
3	Private professional institutions	822931.00	905490.00	1225779
4	Commercial and Non residential	29765993.00	35483525.00	39855623

5	Irrigation Pumpsets	543116047.00	652788359.00	769976800
6	LT Industry	20112137.00	23152075.00	25215705
7	Public Water Supply	18167732.00	19775220.00	19621113
8	Public Lighting	8389048.00	9822839.00	10789661
9	Temporary Supply	338346.00	895487.00	923046
	LT Total	680139092.00	813544429	951633312
	HT Installations			
8	HT - 1 Public Water Supply	15214444.00	17682810.00	18230085
9	HT - 2(a) Industrial, Non Commercial and Non Industrial including Railways	32741752.00	48409043.00	62570998
10	HT - 2(b) Commercial	4550365.00	6994076.00	6021050
11	HT-2(c)(i) Govt. Educational	0	0	122910
12	HT-2(c)(ii) PVT. Educational	0	0	667713
13	HT - 3 Irrigation & Agriculture farms, list includes societies etc.	3310054.00	3790975.00	4227958
	HT Total	55816615.00	76876904.00	91840714
	Total (LT + HT)	735955707.00	890421333.00	1043474026
	Inter ESCOM Sales			
	Grand Total			

15.2 Table 12: Abstract of Sales and Revenue for FY-12, FY-13 and FY -14

Particulars	Actual FY-12	Actual FY-13	Actual FY-14
Sales in MU	193.28	218.85	229.11
Revenue incl. of misc. charges in Rs. Lakhs.	7501.35	9096.32	10624.98

16 O & M Costs:

The Details of the calculations of O & M Expenditure are shown below:

16.1 TABLE 13:**O&M Expenses for FY-11, FY-12, FY-13 and Estimation for FY-14, FY-15 :**

Rs. In Lakhs

Particulars	FY-12	FY-13	FY-14
R&M Expenses	135.02	221.64	239.66
Employee Cost	320.84	631.94	677.61
A&G Expenses	97.17	92.31	178.08
Total	553.03	945.89	1095.35

Estimation for FY-15 and FY-16.

Particulars	FY-15	FY-16
R&M Expenses	261.99	283.39
Employee Cost	731.31	754.29
A&G Expenses	117.75	128.60
Total	1111.05	1166.28

For FY-15, the R&M Expense is computed as Rs. 261.99 Lakhs after 9.32% increase over the previous year of FY-14. In Employees Cost, the basic salary is shown an increase of 7.92% over the previous year, in FY -14, with increase in DA and payment of statutory bonus.

16.2 For FY-16, the R&M Expense is computed as Rs. 283.39 Lakhs after 8.17% increase over the previous year of FY-15. In Employees Cost, the basic salary is shown an increase of 3.14%

over the previous year, in FY -15, with increase in DA and payment of statutory bonus.

- 16.3 The Administration and General Expenses (A&G) for FY-14 stands at Rs. 178.08 Lakhs as against 92.31 lakhs in FY -13. The HRECS estimates an expenditure of Rs. 117.75lakhs in FY -15, the increase in expenditure on this head in FY -15 is due to general body meeting of the HRECS and election to the Board of the HRECS. Rs. 128.60 lakhs in FY - 16. The increase in expenditure on this head in FY -16 is due to general body meeting of the HRECS.
- 16.4 For FY-15 and FY-16, the O&M expenses are computed as Rs. 1111.05 lakhs and Rs. 1166.28 lakhs respectively, as per estimation.
- 16.5 The HRECS submits that during the past year the HRECS has regularized 1536 Number of IP Sets, under regularization of unauthorized IP Sets scheme of the GoK (Akram - Sakrama), which should be supported by 160 numbers of transformers and other allied infrastructure costing nearly Rs. 10.75 crores at the present rate. Since, the GoK contribution towards infrastructure development required for regularization of unauthorized IP Sets amounting to Rs. 3.84 crores has not yet been released, the entire work on infrastructure development is pending. Due to such pendency, transformer failure has increased, which is beyond the control of the HRECS.
- 16.6 For the above reasons, the HRECS prays for upward revision of O & M expenses inclusive of employee cost, R & M expenses and A & G expenses, by revising the amount fixed in the MYT order.

17 Depreciation:**17.1. TABLE 14:****(Rs. In Lakhs)**

Particulars	FY-14 (Actual)	FY-15 (Actual + Estimation)	FY-16 (Ensuing)
Opening GFA	3687.84	4033.21	5477.00
Add Additions during the year	345.37	1443.79	781.93
Less Retirement of assets	Nil	Nil	Nil
Closing GFA	4033.21	5477.00	6258.93
Avg. Depreciation Rate	1.67	2.05	2.65
Depreciation	67.12	112.69	145.56

The Depreciation on assets created out of consumer contribution and depreciation on assets created by Government grants have been charged on account of cost of capital assets. The net Depreciation on assets is computed.

17.2 The Gross Depreciation for FY-14 was Rs. 90.81 lakhs, as per actual accounts. However, the net depreciation was Rs. 67.12 Lakhs after charging the depreciation to an extent of Rs. 23.69 Lakhs incurred on account of assets created out of 'Consumer Contribution towards Cost of Capital Assets', to the said account in FY -14. The depreciation is calculated on the basis of MYT Regulations and CERC Notification No.L-7/145(160)/2008-CERC, dated 19th January, 2009, amending the rates of depreciation from year FY-10, by considering an average depreciation rate of 1.67%.

- 17.3 The Gross Depreciation for FY-15 is estimated as Rs. 140.41 lakhs, as per actual accounts. However, the net depreciation will be Rs. 112.69 lakhs after charging the Depreciation to an extent of Rs. 27.72 Lakhs to be incurred on account of assets created out of 'Consumer Contribution towards Cost of Capital Assets', to the said account, in FY -15. The depreciation is projected on the basis of MYT Regulations and CERC Notification No. L-7/145 (160)/2008-CERC, dated 19th January, 2009, amending the rates of depreciation from year FY-10, by considering an average depreciation rate of 2.05%.
- 17.4 The Gross Depreciation for FY-16 is estimated as Rs. 174.93 lakhs, as per actual accounts. However, the net depreciation will be Rs. 145.56 lakhs after charging the Depreciation to an extent of Rs. 29.37 Lakhs to be incurred on account of assets created out of 'Consumer Contribution towards Cost of Capital Assets', to the said account, in FY -16. The depreciation is projected on the basis of MYT Regulations and CERC Notification No. L-7/145(160)/2008-CERC, dated 19th January, 2009, amending the rates of depreciation from year FY-10, by considering an average depreciation rate of 2.65%.
- 17.5 The HRECS has not shown any charges towards Advance against Depreciation in all three years of the control period.
- 17.6 The proposed additions to Gross Fixed Assets (GFA) are subject to prudence check on the availability of provisional/audited accounts.

18 Interest Charges**18.1 Interest on Consumer Security Deposit:****TABLE 15:****(Rs. In Lakhs)**

	FY -14	FY -15	FY -16
Consumer Security Deposit at the beginning of the year	1098.33	1191.07	1306.87
Interest per annum	51.05	101.05	105.42

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 9.50% which is subject to the RBI Bank Rate prevailing as on 1-4-2015.

18.3 Interest charges on Working Capital:**TABLE 16: Interest charges on working capital****Rs. in Lakhs.**

Particulars	FY 15	FY 16
One-twelfth of the amount of O&M Exp.	92.58	97.19
Stores, materials and supplies 1% of Opening balance of GFA	55.00	65.00
One-sixth of the receivables	1910.81	2010.98
Total Working Capital	2058.39	2173.17
Rate of Interest (% p.a.)	11.75	11.75
Interest charges on Working Capital	241.87	236.30

18.4 The HRECS has estimated the total working capital requirement, for the control period, 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.

18.5 Banks in India have switched to Base Rate system from Benchmark Prime Lending Rate (BPLR) system from July 01, 2010. Banks may determine their actual lending rates on loans and advances with reference to the Base Rate 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 -16.

18.6 Interest and Finance Charges

TABLE 17:

Rs. In Lakhs.

Particulars	Projected in FY 15	Projected in FY 16
Interest on Working Capital	260.10	256.02
Interest payable on consumer deposits	101.04	105.42
Other Interest and finance charges	9.00	9.56
Total Interest & Finance Charges	370.14	371.00

The Hon'ble Commission may consider the proposed capital investment in the ARR for the control period for allowing interest & finance charges.

The Commission may approve interest charges to an extent of Rs. 371.00 Lakhs for FY -16,, subject to verification at APR.

18.7 Other Debits:

The HRECS is of the view that other debits & prior period expenses cannot be estimated over a two-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)/(RoR):

19.1 The HRECS has considered Share capital and Reserves & Surplus for the purpose of computation of RoE/RoR and the estimated figures are as below;

TABLE 18:**TABLE CALCULATING RoE/RoR**

Particulars	FY-15	FY-16
Paid Up Share Capital	505.12	515.23
Reserves and surplus	2037.32	2597.31
Closing Balance of Equity at the beginning of the year	480.70	505.12
RoE @ 22.22% on closing balance at the beginning of the year	373.84	340.56

19.2 ROE is calculated at 22.22% considering corporate tax of 30% and 3% cess on RoE of 15.50% for FY 2015-16 . Only the RoE/RoR of the previous year has been included in the reserve and surplus. Any surplus/deficit for the previous year after considering RoE/RoR has not been taken into account, while calculating reserve, in view of the fact that such surplus/shortfall would be adjusted in the tariffs itself as the RoE/RoR is restricted to 22.22% of the capital and reserve of the HRECS.

20. POWER PURCHASE FOR FY-16:

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 16 is as follows.

TABLE 19: Power Purchase Cost

PARTICULARS	As approved by the Commission	As projected by the Society, for revision
Units to be Purchased in MU	310.95	296.10
Price in paise per unit	3.478	3.478
Total Power Purchase cost (Rs. in lakhs)	10814.19	10298.36

The power Purchase cost have been based on projected weighted average cost. Transmission Charges and SLDC Charges have been included in the charges payable to Hubli Electricity Supply Company Limited (HESCOM).

21. ANNUAL REVENUE REQUIREMENTS FY -16**Table 20: ARR for FY -16 : (Rs. in Lakhs.)**

	Details	FY-16
1	Expenditure	
	Power Purchase	10700.07
	R&M Expense	283.39
	Employee Expenses	754.29
	A&G Expense	128.60
	Depreciation	145.56
	Advance against depreciation	Nil

	Interest & Finance Charges	9.56
	Less: Interest & other expenses capitalised	Nil
	Interest on consumer Deposit	105.42
.	Interest on working capital	256.02
	Other Debits (incl. Prov for Bad debts)	Nil
	Extraordinary Items	Nil
	Other (Misc.)-net prior period credit	Nil
2	Total	12382.91
3	ROE 22.22%	340.56
4	Provision for taxes	-
	Sub Total	12723.47
5	Other Income	0.00
	Annual Revenue Requirement (2)+(3)+(4)-(5)	12723.47

22 SECTORIAL ENERGY FORECAST FOR FY-16

22.1 Basis

The audited accounts of the Society for FY-12, FY -13 and FY -14 are available. The actual accounts up to 30th of September 14 and the provisional account from Oct-14 to Mar-15 are also available. For FY-16, the estimation of energy sale is based on the CAGR growth achieved from FY-12 to FY-14.

Number of installations as at the end of 31st March 2014, have been considered from the data available in the DCB statements. 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.

22.2 LT CATEGORY:**22.2.1 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, 14811 installations will be serviced in this category, in FY- 15.

For FY-16 no additional installation is estimated.

Table 21: LT -1 Installations

	FY-15	FY-16
Consumers (Nos)	14811	14811
Consumption (Units)	902008	902008

22.2.2. LT-2 (a) Installations:**TABLE 22: LT-2 (a)(i) Urban Installations:**

	FY-12	FY-13	FY-14
Consumers (Nos)	12182	12614	12939
Consumption (Units)	6360461	6748782	7202247

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

	FY-15	FY-16
Consumers (Nos)	13270	13608
Consumption (Units)	7692159	8215397

The number of installations based on DCB figures for FY-12, FY-13 and FY -14 are 12182, 12614 and 12939 respectively. The number of installations are estimated as per CAGR 2.5% growth for FY-15 and FY -16 are 13270 and 13608 respectively.

The energy sales for FY-12, FY-13 and FY-14 under this category are 6360461 Units , 6748782 units and 7202247 units respectively.

The energy sales are estimated as per CAGR 6.80% growth for FY-15 and FY-16, are 7692159 and 8215397 units respectively.

TABLE 23: LT-2 (a)(ii) Rural Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	54408	55559	56256
Consumption (Units)	14031257	14245250	15491829

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

	FY-15	FY-16
Consumers (Nos)	57242	58246
Consumption (Units)	16175521	16889387

Remarks: BJ/KJ consumption above 18 units are included in LT-2(a)(ii)

The number of installations based on DCB figures for FY-12, FY-13 and FY -14 are 54408, 55559 and 56256 respectively. The number of installations are estimated as per CAGR 1.75% growth for FY-15 and FY -16 are 57242 and 58246 respectively.

The energy sales for FY - 12, FY - 13 and FY -14 under this category are 14031257 units, 14245250 units and 15491829 units respectively.

The energy sales are estimated as per CAGR 4.41% growth for FY-15 and FY-16 are 16175521 and 16889387 units respectively.

22.2.3 LT-2 (b) Installations

TABLE 24: LT-2 (b)(i) Urban Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	34	39	36
Consumption (Units)	92368	94557	103604

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

	FY-15	FY-16
Consumers (Nos)	37	38
Consumption (Units)	134649	174997

The number of installations for FY-12, FY-13 and FY 14 are 34, 39 and 36 respectively

The number of installations are estimated as per CAGR 2.94% growth for FY-15 and FY -16 are 37 and 38 respectively.

The energy sales for FY-12, FY-13 and FY 14 stands at 92368, 94557, 103604 Units respectively.

The energy sales are estimated as per CAGR 29.97% growth for FY-15 and FY-16 are 134649 and 174997 units respectively.

TABLE 25: LT-2 (b)(ii) Rural Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	27	29	33
Consumption (Units)	48905	32040	67892

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

	FY-15	FY-16
Consumers (Nos)	35	37
Consumption (Units)	78655	91125

The number of installations for FY-12, FY-13 and FY 14 are 27, 29 and 33 respectively.

The number of installations are estimated as per CAGR 5.63% growth for FY-15 and FY -16 are 35 and 37 respectively.

The energy sales for FY-12, FY-13 and FY 14 stands at 48905, 32040 and 67892 Units respectively.

The energy sales are estimated as per CAGR 15.85% growth for FY-15 and FY-16 are 78655 and 91125 units respectively.

22.2.4 LT-3 Installations

TABLE 26: LT-3(i) Urban Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	2285	2332	2397
Consumption (Units)	2202676	2239785	2381302

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

	FY-15	FY-16
Consumers (Nos)	2435	2474
Consumption (Units)	2447824	2516204

The number of installations for FY-12, FY-13 and FY 14 are 2285, 2332 and 2397 respectively.

The number of installations are estimated as per CAGR 1.59% growth for FY-15 and FY -16 are 2435 and 2474 respectively.

The energy sales are 2202676, 2239785 and 2381302 Units for FY-12, FY-13 and FY -14 respectively.

The energy sales are estimated as per CAGR 2.79% growth for FY-15 and FY-16 are 2447824 and 2516204 units respectively.

TABLE 27: LT-3(ii) Rural Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	2778	2832	2849
Consumption (Units)	2362494	2684085	2940307

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

	FY-15	FY-16
Consumers (Nos)	2875	2902
Consumption (Units)	3278019	3654519

The number of installations for FY-12, FY-13 and FY 14 are 2778, 2832 and 2849 respectively.

The number of installations are estimated as per CAGR 0.92% growth for FY-15 and FY -16 are 2875 and 2902 respectively.

The energy sales are 2362494, 2684085 and 2940307 Units for FY-12, FY-13 and FY -14 respectively.

The energy sales are estimated as per CAGR 11.49% growth for FY-15 and FY-16 are 3278019 and 3654519 units respectively.

22.2.5 LT-4(a) Installations:

Month wise IP set consumption for FY-12, FY -13 and FY- 14 are as follows:

TABLE 28: LT-4(a) Units:**In Units**

Sl.No.	Month	FY-12	FY-13	FY-14
1	April	11772088	13958649	14388192
2	May	12162985	16928886	14896768
3	June	8094956	13672803	11154512
4	July	9789798	14131404	10865841
5	August	9516523	14017952	13608192
6	September	7062258	12619035	11896588
7	October	9760196	13116822	14318042
8	November	13685216	11330600	15516607
9	December	14538077	13567364	16058766
10	January	14939522	14364464	14818179
11	February	14609260	13557606	14549160
12	March	16440660	13745466	18103500
	Total	142371539	165011051	170174347

TABLE 29:

	FY-12	FY-13	FY-14
Consumers (Nos)	21752	22711	23336
Consumption (Units)	142371539	165011051	170174347

	FY-15	FY-16
Consumers (Nos)	23978	24638
Consumption (Units)	175499206	180990682

Remarks: For the category LT-4(a), the CAGR formula cannot be calculated for 4 Years. In keeping view of present trend under this category CAGR for 2 years seems to be reasonable. Accordingly the growth of installation and energy sales has been work out for FY-15 and FY-16.

The monthly assessed consumption of IP sets are being estimated, as directed by the Hon'ble Commission, through metering of sample IP set meters. A table showing the yearly consumption for FY-12, FY-13 and FY-14 are furnished above.

For FY -15, the specific consumption per H.P. per year is estimated as 1421 units. The specific consumption of 7319 units/annum/ installation is considered for arriving at the IP Set consumption for FY-15.

Similarly, for FY-16, the specific consumption per H.P. per year is estimated as 1427 units. The specific consumption of 7346 units/annum/installation is considered for arriving at the IP Set consumption for FY-16.

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

TABLE 30: LT-4(b) & LT-4(c) Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	11	11	11
Consumption (Units)	108732	94857	32509

	FY-15	FY-16
Consumers (Nos)	11	11
Consumption (Units)	69180	69180

Remarks: For this categories, the CARG for energy sales calculation workout in decreasing trend, hence in keeping view of present trend the consumption for the year FY-15 has been taken twice the actual consumption of last six month (Apr 14 to Sep 14).

The same has been considered for FY-16.

The HRECS estimated the number of installations for LT 4(b) and LT 4(c) for FY-15 at 0. The consumption for FY-15 is arrived at 69180 Units.

The HRECS estimated the number of installations for LT 4(b) and LT 4(c) for FY-16 at 0. The consumption for FY-16 is arrived at 69180 Units.

22.2.7. LT-5 Installations:

TABLE 31: LT-5 Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	1760	1875	1963
Consumption (Units)	4436728	4461852	4580726

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

	FY-15	FY-16
Consumers (Nos)	2065	2173
Consumption (Units)	4778800	4985440

The number of installations for FY-12, FY -13 and FY-14 are 1760, 1875 and 1963 respectively.

The number of installations are estimated as per CAGR 5.20% growth for FY-15 and FY -16 are 2065 and 2173 respectively.

The energy sales for FY-12, FY-13 and FY-14 are 4436728, 4461852 and 4580726 Units respectively

The energy sales are estimated as per CAGR 4.32% growth for FY-15 and FY-16 are 4778800 and 4985440 units respectively.

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

TABLE 32: LT-6(a) Water Supply Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	551	558	574
Consumption (Units)	5019284	5121311	5539840

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

	FY-15	FY-16
Consumers (Nos)	590	607
Consumption (Units)	5832645	6140925

Remarks: For the category LT-6(a), the CAGR formula cannot be calculated for 4 Years. In keeping view of present trend under this category CAGR for 2 years seems to be reasonable. Accordingly the growth of installation and energy sales has been work out for FY-15 and FY-16.

The number of installations under this category for FY-12, FY-13 and FY -14 are 551, 551 and 574 respectively.

The number of installations are estimated as per CAGR 2.87% growth for FY-15 and FY -16 are 590 and 607 respectively.

The energy sales for FY-12, FY-13 and FY-14 are 5019284, 5121311 and 5539840 Units respectively.

The energy sales are estimated as per CAGR 5.29% growth for FY-15 and FY-16 are 5832645 and 6140929 units respectively.

22.2.9 LT-6(b) Public Lighting Installations:

TABLE 33: LT-6(b) Public Lighting Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	254	354	361
Consumption (Units)	2178213	2116835	2248168

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

	FY-15	FY-16
Consumers (Nos)	368	375
Consumption (Units)	2387649	2535784

Remarks: For this category, the CAGR formula cannot be calculated for 4 Years. In keeping view of present trend under this category, the CAGR for 2 years seems to be reasonable. Accordingly the growth of installation and energy sales has been work out for FY-15 and FY-16.

The number of installations under this category for FY-12, FY-13 and FY -14 are 254, 354 and 361 respectively.

The number of installations are estimated as per CAGR 1.98% growth for FY-15 and FY -16 are 368 and 375 respectively.

The number of energy sales under this category for FY-12, FY-13 and FY -14 are 2178213, 2116835 and 2248168 units respectively.

The energy sales are estimated as per CAGR 6.20% growth for FY-15 and FY-16 are 2387649 and 2535784 units respectively.

22.2.10 LT-7 Installations:

TABLE 34: LT-7 Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	107	39	124
Consumption (Units)	25614	101021	93931

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

	FY-15	FY-16
Consumers (Nos)	133	144
Consumption (Units)	118385	149205

Remarks: For this category, the CAGR formula cannot be calculated for 4 Years. In keeping view of present trend under this category, the CAGR for 3 years seems to be reasonable. Accordingly the growth of installation has been work out for FY-15 and FY-16. The growth rate of sales unit as per CAGR seems to be normal.

The number of installation under this category for FY-12, FY-13 and FY-14 are 107, 39 and 124 respectively.

The number of installations are estimated as per CAGR 7.65% growth for FY-15 and FY -16 are 133 and 144 respectively.

The number of energy sales under this category for FY-12, FY-13 and FY -14 are 25614, 101021 and 93931 units respectively.

The energy sales are estimated as per CAGR 26.03% growth for FY-15 and FY-16 are 118385 and 149205 units respectively.

22.3 HT CATEGORY

22.3.1 HT-1 INSTALLATIONS

TABLE 35: HT-1 Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	3	3	4
Consumption (Units)	4140601	4223722	4191706

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

	FY-15	FY-16
Consumers (Nos)	4	5
Consumption (Units)	4207994	4224346

The number of installations under this category for FY-12, FY-13 and FY -14 are 3, 3 & 4 respectively.

The number of installations are estimated as per CAGR 10.06% growth for FY-15 and FY -16 are 4 and 5 respectively.

The number of energy sales under this category for FY-12, FY-13 and FY -14 are 4140601, 4223722 and 4191706 units respectively.

The energy sales are estimated as per CAGR 0.39% growth for FY-15 and FY-16 are 4207994 and 4224346 units respectively.

22.3.2 HT-2 (a) Installations:

TABLE 36: HT-2 (a) Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	5	6	5
Consumption (Units)	6803686	8508254	10449340

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

	FY-15	FY-16
Consumers (Nos)	6	6
Consumption (Units)	12148905	14124901

Remarks: From this category the one installation has been transferred to HT 2(c)(i) category as per tariff order dated 20th June 2013.

The number of installations under this category for FY-12, FY-13 and FY -14 are 5, 6 and 5 respectively.

The number of installations is estimated FY-15 and FY -16 is 6 numbers.

The number of energy sales under this category for FY-12, FY-13 and FY -14 are 6803686, 8508254 and 10449340 units respectively.

The energy sales are estimated as per CAGR 16.26% growth for FY-15 and FY-16 are 12148905 and 14124901 units respectively.

22.3.3 HT-2 (b) Installations:

TABLE 37: HT-2 (b) Installations:

	FY-12	FY-13	FY-14
Consumers (Nos)	6	7	5
Consumption (Units)	699791	940099	540266

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

	FY-15	FY-16
Consumers (Nos)	5	5
Consumption (Units)	591812	591812

Remarks: From this category the 2 installations has been transferred to HT 2(c)(ii) category as per tariff order dated 20th June 2013. Hence CAGR as per formula cannot be calculated. In keeping view of present trend, the installations for FY-15 and FY-16 is considered same as the FY-14.

Also in keeping view of present trend, the consumption for the FY-15 has been taken twice the actual consumption of last six month (Apr-14 to Sep-14). The same has been considered for FY-16.

The number of installations under this category for FY-12, FY-13 and FY -14 are 5, 5 and 5 respectively.

The number of installations is estimated for FY-15 and FY -16 is 5.

The number of energy sales under this category for FY-12, FY-13 and FY -14 are 699791, 940099 and 540266 units respectively. For FY-15 and FY-16 are 591812 and 591812 units respectively.

22.3.4 HT-2 (c) Installations:

TABLE 38: HT-2 (c)(i) Installations:

	FY-14	FY-15	FY-16
Consumers (Nos)	1	1	1
Consumption (Units)	46196	46196	46196

Remarks: In view of rationalization of HT-2(a) in to 2 sub-groups, the CAGR formula cannot be calculated for 4 years. Hence in keeping view of present trend the consumption and installation for FY-15 and FY-16 has been considered same as FY-14.

TABLE 39: HT-2 (c)(ii) Installations:

	FY-14	FY-15	FY-16
Consumers (Nos)	2	2	2
Consumption (Units)	327107	327107	327107

Remarks: In view of rationalization of HT-2(b) in to 2 sub-groups, the CAGR formula cannot be calculated for 4 years. Hence in keeping view of present trend the consumption and installation for FY-15 and FY-16 has been considered same as FY-14.

22.3.5 HT-3(a) Installations:**TABLE 40: HT-3(a) Installations:**

	FY-12	FY-13	FY-14
Consumers (Nos)	4	4	4
Consumption (Units)	2398429	2227310	2160518

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

	FY-15	FY-16
Consumers (Nos)	4	4
Consumption (Units)	2396663	2658620

The number of installations under this category for FY-12, FY-13 and FY -14 are 4, 4 and 4 respectively.

The growth rate of 0% is considered and the number of installations is estimated at 4 for FY -15 and FY-16

The number of energy sales under this category for FY-12, FY-13 and FY -14 are 2398429, 2227310 and 2160518 units respectively.

The energy sales are estimated as per CAGR 10.93% growth for FY-15 and FY-16 are 2396663 and 2658620 units respectively.

22.4. Summary of Sale of Energy for FY-12, FY-13, FY-14 and FY-15.**TABLE 41:**

SL. No.	Category of consumer	Actuals for FY12	Actuals for FY-13	Actuals for FY-14	Actuals and estimation for FY-15
	LT Installations				
1	BhagyaJyothi / KutirJyothi	0	2897	547531	902008
2	Domestic (All electric home & domestic lighting)	20391718	20994032	22694076	23867680
3	Private professional institutions	141273	126597	171496	213304
4	Commercial and Non residential	4565170	4923870	5321609	5725843
5	Irrigation Pumpsets	142480271	165105908	170206856	175568386
6	LT Industry	4436728	4461852	4580726	4778800
7	Public Water Supply	5019284	5121311	5539840	5832645
8	Public Lighting	2178213	2116835	2248168	2387649
9	Temporary Supply	25614	101021	93931	118385
	LT Total	179238271	202954323	211404233	219394700
	HT Installations				
8	HT - 1 Public Water Supply	4140601	4223722	4191706	4207994
9	HT - 2(a) Industrial, Non Commercial and Non Industrial including Railways	6803686	8508254	10449340	12148905
10	HT - 2(b) Commercial	699791	940099	540266	591812
11	HT - 2(c)(i) Govt. Education Inst., Hostels & Hospitals	0	0	46196	46196
12	HT - 2(c)(ii) Education Inst., Hostels & Hospitals other than HT-2(c)(i)	0	0	327107	327107
13	HT - 3 Irrigation & Agriculture farms, list includes societies etc.	2398429	2227310	2160518	2396663
	HT Total	14042507	15899385	17715133	19718677
	Total (LT + HT)	193280778	218853708	229119366	239113377

Table 42: Consumption growth of percentage

SL. No.	Category of consumer	% growth of FY-12 over FY-11	% growth of FY-13 over FY-12	% growth of FY-14 over FY-13	% growth of FY-15 over FY-14
	LT				
1	BhagyaJyothi / KutirJyothi			18799.93	64.74
2	Domestic (All electric home & domestic lighting)	4.46	2.95	8.10	5.17
3	Private professional institutions	55.49	-10.30	35.47	24.38
4	Commercial and Non residential	5.81	7.86	8.08	7.60
5	Irrigation Pumpsets	13.21	15.88	3.09	3.15
6	LT Industry	9.97	0.57	2.66	4.32
7	Public Water Supply	5.74	2.03	8.17	5.29
8	Public Lighting	-19.02	-2.82	6.20	6.20
9	Temporary Supply	-45.40	294.40	-7.02	26.03
	LT Total	11.12	13.23	4.16	3.78
	HT				
8	HT - 1 Public Water Supply	-0.06	2.01	-0.76	0.39
9	HT - 2(a) Industrial, Non Commercial and Non Industrial including Railways	2.33	25.05	22.81	16.26
10	HT - 2(b) Commercial	24.29	34.34	-42.53	9.54
11	HT - 2(c) Education Inst., Hostels & Hospitals	0	0	0	0
12	HT - 2(c)(ii) Education Inst., Hostels & Hospitals other than HT-2(c)(i)	0	0	0	0
13	HT - 3 Irrigation & Agriculture farms, list includes societies etc.	51.54	-7.13	-3.00	10.93
	HT Total	8.54	13.22	11.42	11.31
	Total (LT + HT)	10.93	13.23	4.69	4.36

23. Annual Revenue Requirement and Tariff Revision for FY-16

The HRECS is furnishing the details of projections and Annual Revenue Requirement for FY – 16 and tariff revision proposals for FY - 16 in the following paragraphs;

23.1 Energy Input at interface points projected for FY -15**TABLE 43:**

Details	For FY -16
Power Purchase (MU)	296.10
Sale of Power (MU)	249.29
Loss %	15.81
Average Cost of Purchase (in paise)	347

23.2 Quantum of input energy at interface points**TABLE 44:**

Year	Quantum of power purchase (MU)	Percentage Growth over previous year
2011-12 (Actuals)	228.21	10.82
2012-13 (Actual)	257.19	14.07
2013-14 (Actual)	270.37	5.12
2014-15 (Projected)	285.23	5.50
2015-16 (Projected)	296.10	3.81

The energy available at interface points were 228.21 MU, 257.19 MU and 270.37 MU for FY 12, FY-13 and FY-14 respectively. It is proposed to draw 285.23 MU and 296.10 MU for FY-15 and FY-16 respectively. This represents an increase of 5.50% and 3.81 % growth for FY-15, FY-16 respectively. In the opinion of the HRECS, these modified projections are reasonable.

23.3. Quantum of energy sales**TABLE 45:**

Year	Actual quantum of Sales (MU)	Percentage Growth over previous year
2010-11	174.23	12.11
2011-12	193.28	10.92
T 2012-13	218.85	13.23
h 2013-14	229.12	4.69
2014-15(Projected)	239.11	4.36
2015-16(Projected)	249.29	4.26

The quantum of energy input and sales for the previous years are depicted in the above tables. The sales figure for FY - 12, FY - 13 and FY -14 were 193.28 MU, 218.85 MU and 229.12 MU respectively. The energy input and sales figures projected in ARR filing have been suitably modified taking into consideration the CAGR growth registered in the previous years.

23.4 Annual Revenue Requirement**TABLE 46:****In Rs. in Lakhs.**

Sl. No.	Details	FY-16
		Projected
	Power Purchase (MU)	307.65
	Sale of Power (MU)	249.29
	Loss %	18.97%
	Average Cost of Purchase at I.F. (in Rs)	2.74
1	Receipts	
a	Revenue from tariffs & Miscell. Charges	12105.13
b	RE subsidy from Govt.	
	Revenue to wires business	
	Total	12105.13
2	Expenditure	
a	Power Purchase	10700.07
b	R&M Expense	283.39
c	Employee Expenses	754.29
d	A&G Expense	128.60
e	Depreciation	145.56

	Advance against depreciation	Nil
f1	Interest & Finance Charges	9.56
f2	Interest on consumer Deposit	105.42
f3	Interest on working capital	256.02
g	Less: Interest & other expenses capitalised	Nil
h	Other Debits	Nil
i	Extraordinary Items	Nil
j	Other (Misc.)-net prior period credit	Nil
	Total	12382.91
3	ROE 22.22%	340.56
4	Other Income	Nil
5	Provision for taxes	-
6	Annual Revenue Requirement (2)+(3)+(5)-(4)	12382.91
7	Shortfall: (1)-(6)after tariff revision	-618.34

Average cost of supply for FY -16 Rs. 4.96 respectively.

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

23.5 Category wise Revenue from proposed tariff for FY -16

Taking into consideration that HRECS proposed tariff and projected demanded, the revenue realization from sale of power works out to Rs. **1268596614/-** for FY – 16, excluding Miscellaneous Income such as reconnection fee, Public lighting handling charges, delayed payment charges etc. of the respective years. Category wise revenue from sale of power is indicated in the following table:

TABLE 47:**Category wise Revenue:**

SL. No.	Category of consumer	Projected Revenue for FY-16 on proposed tariff
	LT Installations	
1	BhagyaJyothi / KutirJyothi	4320618.00
2	Domestic (All electric home & domestic lighting)	121658968.00
3	Private professional institutions	2096584.00
4	Commercial and Non residential	53823070.00
5	Irrigation Pumpsets	845497667.00
6	LT Industry	34080501.00
7	Public Water Supply	27901724.00
8	Public Lighting	15387474.00
9	Temporary Supply	1480114.00
	LT Total	1106246720.00
	HT Installations	
8	HT – 1 Public Water Supply	22965382.00
9	HT – 2(a) Industrial, Non Commercial and Non Industrial including Railways	104029147.00
10	HT – 2(b) Commercial	5687923.00
11	HT-2(c) (i)	434759.00
12	HT-2(c) (ii)	2720823.00
13	HT – 3 Irrigation & Agriculture farms, list includes societies etc.	6433860.00
	HT Total	142271894.00
	Total (LT + HT)	1248518614.00
	Misc. Charges	20078000.00
	Grand Total	1268596614.00

23.6 Miscellaneous Revenue and other income:

This comprises income mainly from interest on delayed payment charges, reconnection fee etc. The HRECS has estimated this income at Rs. 200.78 Lakhs for FY- 16.

TABLE 48: Miscellaneous charges from consumers

Particulars	FY -16
Reconnection Fee in lakh Rs.	0.11
Interest on belated Payment charges in lakhs Rs.	114.00
Other receipts	86.67
Sub Total	200.78
Less	
Withdrawal of Revenue Demand	Nil
Sub Total	Nil
Grand Total (of Difference)	200.78

23.7 Surplus /deficit:

The Society may incur a cash loss of Rs. 6.18 crore on account of sale of power to consumers including IP sets in FY-16. The Society is proposing to make good of this loss by way of revision of tariff.

24 TARIFF PROPOSALS FOR FY -16**24.1. LT CATEGORY WISE TARIFF REVISION**

The detailed tariff proposal for the FY-16 is furnished in Format D - 21.

24.1.2. 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. 4.79 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.

24.1.3. LT 2(a) Domestic Lighting & AEH

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

TABLE 49:**Proposed Tariff for LT 2(a)(i) (in Rs.)**

Particulars	Existing Tariff	Proposed tariff For FY-16
Fixed Charges per month		
First KW	25	25
Additional KW	35	35
Energy Charges per month		
Cons.< 30 units	2.70	3.62
Cons.>30, <= 100 units	4.00	4.92
Cons.>100, <= 200 units	5.25	6.17
Cons.>200, units	6.25	7.17

TABLE 50:**Proposed Tariff for LT 2(a)(ii) (in Rs.)**

Particulars	Existing Tariff	Proposed tariff For FY-16
Fixed Charges per month		
First KW	15	15
Additional KW	25	25
Energy Charges per month		
Cons.< 30 units	2.60	3.52
Cons.>30, <= 100 units	3.70	4.62
Cons.>100, <= 200 units	4.95	5.87
Cons.>200 units	5.75	6.67

24.1.4 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 51:**Proposed Tariff for LT 2(b) (i) (in Rs.)**

Particulars	Existing Tariff	Proposed tariff For FY-16
Fixed Charges Rs. 35/- Per KW per month subject to a minimum of Rs. 65/-	65	65
Energy Charges per month		
Cons.< =200 units	6.00	6.92
Cons. >200 units	7.20	8.12

TABLE 52:**Proposed Tariff for LT 2(b) (ii)****(in Rs.)**

Particulars	Existing Tariff	Proposed tariff For FY-16
Fixed Charges Rs. 25/- Per KW per month subject to a minimum of Rs. 50/-	50	50
Energy Charges per month		
Cons.< =200 units	5.50	6.42
Cons.> 200 units	6.70	7.62

24.1.5 LT 3: Commercial**TABLE 53:****Proposed Tariff for LT 3(i)****(in Rs.)**

Particulars	Existing Tariff	Proposed tariff For FY-16
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	6.75	7.67
For the balance units	7.75	8.67

TABLE 54:**Proposed Tariff for LT 3 (ii)****(in Rs.)**

Particulars	Existing Tariff	Proposed tariff For FY-16
Fixed Charges per KW Per Month	30	30
Demand based Tariff (Optional)		
Fixed Charges Per KW per month	45	45
Energy Charges per month		
For the first 50 units	6.25	7.17
For the balance units	7.25	8.17

24.1.6 LT 4 Agricultural I P Sets

As at the end of FY-15, there are 23978 registered IP Set consumers. Energy consumption under this category for FY-15 are 175.50 MUs based on assessed consumption. For FY -16, taking into consideration the specific consumption of 7346 units/I P set/year and the figure of 24638 IP set installations, the consumption is expected to grow up to 181 MUs during FY -16.

The HRECS is requesting the Hon'ble Commission to fix IP Set tariff up to 10 HP at the cost of supply price adjusted after cross subsidy, as determined by the Hon'ble Commission. However, for the purpose if this filing, Rs. 4.67 per unit has been fixed for IP Set consumption below 10 HP, for FY 16.

Table 55:

Particulars	Existing tariff	Proposed Tariff for FY 16
Monthly Fixed Charges	Nil	Nil
Energy Charges per unit per month	4.67	

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: 56**Applicable to IP sets above 10 HP**

Particulars	Existing Tariff	Proposed tariff for FY 16
Monthly Fixed Charges per HP	30	30
Energy Charges per unit per month	2.15	3.07

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 : 57

Particulars	Existing Tariff	Proposed tariff for FY 16
Monthly Fixed Charges per HP	20	20
Energy Charges per unit per month	2.15	3.07

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 :58

Particulars	Existing Tariff	Proposed tariff for FY 16
Monthly Fixed Charges per HP	30	30
Energy Charges per unit per month	2.15	3.07

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

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

TABLE 59:**Proposed Tariff for LT – 5****(in Rs)**

Particulars	Existing Tariff	Proposed tariff for FY -16
Fixed Charges per HP per Month		
< 5 HP	25	25
5 – 40 HP	30	30
40 – 67 HP	35	35
> 67 HP	100	100
Energy Charges per month		
Cons.< 500 units	4.55	5.47
Cons.> 500, <= 1000 units	5.35	6.27
Cons.> 1000 units	5.65	6.57

TABLE 60:**Demand based Tariff (per KW)**

Particulars	Existing Tariff	Proposed tariff for FY -16
Fixed Charges per month per KW		
> 5 HP, < 40 HP	45	45
>40 HP, < 67 HP	60	60
> 67 HP	150	150
Energy Charges per month		
Cons.< 500 units	4.55	5.47
Cons.< 500, <= 1000 units	5.35	6.27
Cons.> 1000 units	5.65	6.57

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

The proposed tariff, the slab wise rates are given below

TABLE 61:**Proposed Tariff for LT – 6(a) (in Rs)**

Particulars	Existing Tariff	Proposed tariff for FY- 16
Water Supply Installations		
Fixed Charges (Rs per HP per Month)	35	35
Energy Charges (Rs per unit)	3.30	4.22

24.1.9 LT 6(b) : Street light**TABLE 62:Street light**

Particulars	Existing Tariff	Proposed tariff for FY- 16
Fixed Charges (Rs per kW per Month)	50	50
Energy Charges (Rs per unit)	4.85	5.77

24.1.10 LT – 7: Temporary Power Supply

The proposed tariff, the slab wise rates are given below

TABLE 63:**Proposed Tariff for LT – 7 (in Rs.)**

Particulars	Existing Tariff	Proposed tariff for FY- 16
Fixed Charges for sanctioned Load of 67 HP and below		
Weekly Minimum Per KW	160	160
Energy Charges per month	9.00	9.92

24.2. 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

24.2.1 HT – 1: Public Water Supply and Sewage Pumping Installations**TABLE 64:****Proposed Tariff for HT 1 (in Rs.)**

Particulars	Existing Tariff	Proposed tariff for FY- 16
Demand Charges per kVA	180	180
Energy Charges per unit	4.00	4.92

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

The proposed tariff, the slab wise rates are given below

TABLE 65:**Proposed Tariff for HT 2(a) (in Rs.)**

Particulars	Existing Tariff	Proposed tariff for FY- 16
Demand Charges per kVA	170	170
Energy Charges		
Cons.< 1 lakh units/ month	5.70	6.62
For the balance units	6.00	6.92

24.2.3 HT 2 (b) Commercial

The proposed tariff, the slab wise rates are given below

TABLE 66:**Proposed Tariff for HT 2(b) (in Rs.)**

Particulars	Existing Tariff	Proposed tariff for FY- 16
Demand Charges per kVA	190	190
Energy Charges		
Cons.< 2 lakh units/ month	7.15	8.07
Cons.>2 lakh units/month	7.45	8.37

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

The proposed tariff, the slab wise rates are given below

TABLE 67:**Proposed Tariff for HT 2(c)(i) (in Rs.)**

Particulars	Existing Tariff	Proposed tariff for FY- 16
Demand Charges per kVA	170	170
Energy Charges		
Cons.< 1 lakh units/ month	5.40	6.32
Cons.>1 lakh units/month	5.90	6.82

24.2.5 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 68:**Proposed Tariff for HT 2(c)(ii) (in Rs.)**

Particulars	Existing Tariff	Proposed tariff for FY- 16
Demand Charges per kVA	170	170
Energy Charges		
Cons.< 1 lakh units/ month	6.40	7.32
Cons.>1 lakh units/month	6.90	7.82

24.2.6 HT 3(a) Agriculture

The proposed tariff, the slab wise rates are given below

TABLE 69:**Proposed Tariff for HT 3(a) (i) (in Rs.)**

Particulars	Existing Tariff	Proposed Tariff for FY -16.
Energy Charges/Minimum Charges	1.50 ps. /unit subject to annual minimum of Rs.1000/HP/ annum	2.42ps. /unit subject to annual minimum of Rs.1000/HP/ annum

24.3. Summary of Tariff Revision

The revenue at proposed tariff works out to Rs. 1268596614 lakhs for FY -16. The category wise tariff revision proposal is detailed in the table below:

TABLE 70:**24.3.1. Summary of Tariff across all categories of consumers**

SL. No.	Category of consumer	Projected Revenue for FY-16 on proposed tariff
	LT Installations	
1	BhagyaJyothi / KutirJyothi	4320618.00
2	Domestic (All electric home & domestic lighting)	121658968.00
3	Private professional institutions	2096584.00
4	Commercial and Non residential	53823070.00
5	Irrigation Pumpsets	845497667.00
6	LT Industry	34080501.00
7	Public Water Supply	27901724.00
8	Public Lighting	15387474.00
9	Temporary Supply	1480114.00
	LT Total	1106246720.00
	HT Installations	
8	HT – 1 Public Water Supply	22965382.00
9	HT – 2(a) Industrial, Non Commercial and Non Industrial including Railways	104029147.00
10	HT – 2(b) Commercial	5687923.00
11	HT-2(c) (i)	434759.00
12	HT-2(c) (ii)	2720823.00
13	HT – 3 Irrigation & Agriculture farms, list includes societies etc.	6433860.00
	HT Total	142271894.00
	Total (LT + HT)	1248518614.00
	Misc. Charges	20078000.00
	Grand Total	1268596614.00

25. MISCELLANIOUS

- 25.1. The applicant has been approached by a Special Economic Zone (SEZ) established under the Special Economic Zone Act, 2005, for supply of power for its own use as well as for the use of other occupants of the said SEZ, by installing sub-meters. Since, at present, there is no provision in the General Terms And Conditions of Tariff, allowing supply of power to SEZs for the

sale of other occupants of that SEZ, the applicant proposes following modifications in the GENERAL TERMS AND CONDITIONS OF TARIFF, which are as follows:

- a) After Condition 10 (b) of the GENERAL TERMS AND CONDITIONS OF TARIFF, the following may be inserted as 10(c)

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

- 25.2. In Electricity Tariff – 2016, Part-1 HIGH TENSION SUPPLY, the following may be inserted as Clauses 4A and 4B:

4A. In respect of Special Economic Zones notified under the Special Economic Zone Act, 2005 and availing Bulk power supply at HT level supply, for his own use or for resale within the SEZ premises, the aggregate of all energy consumed by all the premises of such SEZ, metered at single point, shall be billed under the appropriate HT - tariff schedule. No reduction in demand recorded in the main HT meter shall be allowed.

4B. In respect of SEZs availing HT Power supply under the appropriate HT 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.

- 25.3. The applicant submits that after August 2008, IP Set consumers having 10 H.P. or less are getting free electricity supply to their IP Set installations. Under KEREC Regulations, the applicant is required to pay interest on the security deposit maintained by those IP Sets with the applicant at the applicable Bank Rate. Since, there is no billing on those IP Sets, the interest on security deposit payable is accumulating with the applicant.

Hence, the applicant seeks appropriate direction to adjust the interest accrued on IP Sets to the bills issued to the same consumer for their other installations.

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 -16.
- b) Consider and approve the tariff proposals of the HRECS for FY -16;
- 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 and further orders as may deem fit in the circumstances mentioned above, in the interest of justice.

Place: Hukkeri

Date: 28.11.2014

APPLICANT

ELECTRIC POWER TARIFF-2016

RETAIL CONSUMER TARIFF

Effective from 1st Meter Reading date on or after
---.----. 2016

HUKKERI
RURAL ELECTRIC CO-OPERATIVE SOCIETY
LIMITED.

ELECTRIC POWER TARIFF-2016**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: -
- Interest on arrears of Electricity Tax
 - Arrears of Electricity Tax
 - Arrears of Interest on Electricity charges
 - Arrears of Electricity charges
 - Current month's dues
17. For the purpose of billing,
- the higher of the rated load or sanctioned load in respect of LT installations which are not provided with Electronic Tri-Vector meter.
 - sanctioned load or MD recorded, which ever is higher, in respect of installations provided with Electronic Tri-Vector meter will be considered.
 - 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—2016

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—2016

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.

4A. In respect of Special Economic Zones notified under the Special Economic Zone Act, 2005 and availing Bulk power supply at HT level supply, for his own use or for resale within the SEZ premises, the aggregate of all energy consumed by all the premises of such SEZ, metered at single point, shall be billed under the appropriate HT - tariff schedule. No reduction in demand recorded in the main HT meter shall be allowed.

4B. In respect of SEZs availing HT Power supply under the appropriate HT 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.

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 Society.**RATE SCHEDULE**

Demand charges	Rs.180/kVA of billing demand/month
Energy charges	492paise/unit

TOD Tariff at the option of the COConsumer

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, 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 Society**

Demand charges	Rs.170/kVA of billing demand/month
Energy charges	
For the first one lakh units	662 paise per unit
For the balance units	692 paise per unit

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 Society**

Demand charges	Rs. 190 /kVA of billing demand/month
Energy charges	
For the first two lakh units	807 paise per unit
For the balance units	837 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. 170 /kVA of billing demand/month
Energy charges	
For the first one lakh units	632 paise per unit
For the balance units	682 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. 170 /kVA of billing demand/month
Energy charges	
For the first one lakh units	732 paise per unit
For the balance units	782 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 Society

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

Energy charges/ Minimum Charges	242 paise per unit subject to an annual minimum of Rs.1000/- per HP/Annum.
--	--

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

Fixed Charges	Rs.30 /HP/PM of sanctioned load
Energy charges	242 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.10 /HP/PM of sanctioned load
Energy charges	242 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	442 paise per unit subject to an annual minimum of Rs.1000/- 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

Demand charges	Rs.100/- per kVA of billing demand
Energy charges	622 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.210/HP/month for the entire sanction load / contract demand
Energy Charge	992 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.
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.

ELECTRIC POWER TARIFF-2016

PART-II

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

ELECTRIC POWER TARIFF-2016**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, whichever 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 4.79 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. 4.79 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 Society**

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 Society

Fixed charges per month	For the first KW	Rs. 25/- per KW
	For every additional KW	Rs. 35/- per KW
Energy charges	For 0 - 30 units (Lifeline consumption)	362Ps/unit
	31 to 100 units	492 Ps /unit
	101 to 200 units	617 Ps/unit
	Above 200 units	717 Ps/unit

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

Fixed charges per month	For the first KW	Rs.15/- per KW
	For every additional KW	Rs.25/- per KW
Energy charges	For 0 - 30 units (Lifeline consumption)	352
	31 to 100 units	462 Ps /unit
	101 to 200 units	587 Ps/unit
	Above 200 units	667 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. 35 Per KW subject to a minimum of Rs.65 PM	
Energy charges	0 to 200 units	692 Ps/unit
	Above 200 units	812 Ps/unit

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

Fixed charges	Rs. 25 Per KW subject to a minimum of Rs. 50 PM	
Energy charges	0 to 200 units	642 Ps/unit
	Above 200 units	762 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. 40 per KW	
Energy charges	For 0 - 50 units	767 Ps /unit
	Above 50 units	867 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	

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

Fixed charges	Rs. 30 per KW	
Energy charges	For 0 - 50 units	717 Ps /unit
	Above 50 units	817 Ps /unit

Demand based tariff (optional) where sanctioned load is above 5 KW but below 50 KW		
Fixed charges	Rs. 45 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 467 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 467 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. 30 per HP per month.
Energy charges	307 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. 20 per HP per month.
Energy charges	307 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. 30 per HP per month.
Energy charges	307 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, Dry Cleaners and Laundries having washing, Drying, Ironing etc., 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: Applicable to all the areas of Society

I. Fixed charges

Fixed charges	i) Rs. 25 per HP for 5 HP & below ii) Rs. 30 per HP for above 5 HP & below 40 HP iii) Rs. 35 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. 45 per KW of billing demand
	40 HP and above but less than 67 HP	Rs. 60 per KW of billing demand
	67 HP and above	Rs. 150 per KW of billing demand

iii. Energy Charges

0 to 500 units	547 Ps/unit
501 to 1000 units	627 Ps/unit
Above 1000 units	657 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 Public Street lights/Park lights** of village Panchayat, Town Panchayat, Town Municipalities, City Municipalities / Corporations / State and Central Govt. / APMC, Traffic signals, 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

<u>Water Supply- LT-6 (a)</u>	
Fixed charges	Rs. 35/HP/month
Energy charges	422 Ps/unit
<u>Public lighting- LT-6 (b)</u>	
Fixed charges	Rs. 50/KW/month
Energy charges	577 Ps/unit

TARIFF SCHEDULE LT-7

Temporary Supply & Advertising Hoarding

Applicable to Hoardings& Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the interest of Public such as Police Canopy Direction boards, and other sign boards sponsored by the Private Advertising Agencies. Temporary Power Supply of all categories

RATE SCHEDULE

Less than 67 HP:	Energy charge at 992 Ps/unit, subject to a weekly minimum of Rs. 160 per KW of the sanctioned load.
-------------------------	---

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.

- 0 -