

## CHAPTER - 6

### DETERMINATION OF TARIFF FOR FY12

#### 6.0 BESCOM'S TARIFF APPLICATION & COMMISSION'S ANALYSIS FOR FY12

##### 6.1 Tariff Application

In its Tariff Application, BESCOM has proposed a tariff increase of 88 paise per unit in respect of all the categories of consumers except for BJ/KJ and irrigation pump sets consumers to meet a revenue deficit of Rs. 1584.28 Crs. BESCOM has proposed to raise additional resources of Rs. 1614.33 Crores from the proposed tariff revision (for the whole year). Further, BESCOM has proposed to adjust additional revenue of Rs.30.05 Crs by reducing subsidy payable by Government of Karnataka.

In Chapter-3 of this order, the Commission has discussed the objections raised by the various stakeholders and Commission's views and decisions thereon. In Chapter 4 of this order, the Commission has dealt with the Annual Review of Performance of BESCOM for FY11. In Chapter - 5, the Commission has analyzed and approved revised ARR for FY12. After considering the objections/suggestions and views of the objectors and the replies of the licensee, the Commission has approved the ARR as per the previous chapter. In this chapter it is proposed to determine and approve the retail supply tariff of BESCOM for the Financial Year 2012.

##### 6.2 Statutory Provisions guiding determination of Tariff

As per section 61 of the Electricity Act 2003, the Commission, is guided inter-alia, by the National Electricity Policy, the National Tariff Policy and the following factors, while, determining the tariff:

- that the distribution and supply of electricity are conducted on commercial basis;

- that competition, efficiency, economical use of resources, good performance, and optimum investment are encouraged;
- that the tariff progressively reflects the cost of supply of electricity, and also reduces and eliminates cross subsidies within the period to be specified by the Commission;
- that efficiency in performance is to be rewarded ; and
- that a multi-year tariff framework is adopted

Section 62(5) of the Electricity Act 2003, read with Section 27(1) of the KER Act 1999, empower the Commission to specify, from time to time, the methodologies and the procedure to be observed by the licensees in calculating the Expected Revenue from Charges (ERC). The Commission determines the Tariff in accordance with the Regulations and the Orders issued by the Commission from time to time.

### **6.3 Issues relevant to determination of tariff:**

The Commission has also kept in view, the following factors, which are relevant for the determination of retail supply tariff:

#### **a) Tariff Philosophy:**

The paying capacity of various categories of consumers has been one of the factors relevant for tariff setting in the State. Due to limited paying capacity of a section of the consumers, recovery of the full cost of supply from them would not be possible. Hence they have to be cross-subsidized by other consumers who have the capacity to pay. Keeping in view the socio-economic conditions in the State, the Commission considers it necessary to continue with the cross subsidy regime for some more time. In the case of consumers with IP Sets of less than 10 HP capacity and BJ/KJ households, the Commission determined tariff is payable by the Government of Karnataka as subsidy under Section 65 of the Electricity Act 2003.

**b) Average Cost of Supply**

The Commission has so far been determining the retail supply tariff on the basis of the average cost of supply in all its Tariff Orders. The KEREC (Tariff) Regulations, 2000 require the licensees to provide the details of the embedded cost of supply of electricity voltage/ consumer category wise. Some of the objectors, citing the orders of the Hon'ble ATE, requested for determination of tariff on cost to serve basis. In the absence of 'cost to serve' data, the Commission decides to continue with the average cost of supply as basis for determining tariff for FY12.

**c) Reduction of cross subsidies:**

The Tariff Policy of the GoI dated 6<sup>th</sup> January 2006, provides for progressively bringing down the cross subsidy and specifies a target of plus or minus 20% of the average cost of supply latest by 2010-11. The Commission, as far as possible, has endeavored to reduce the cross subsidy levels progressively.

**d) Differential Tariff**

The Commission in its Tariff Order dated 25.11.2009 has determined differential retail supply tariff for consumers of Urban and Rural consumers. The Commission has continued the same policy in this Tariff Order also.

**6.4 Revenue Deficit as per Revenue at existing rates**

The Commission in its Tariff order dated 07.12.2010 had decided to treat the deficit of Rs.423.17 Crores for FY11 as Regulatory Asset to be adjusted in the remaining years of the control period i.e. FY12 & FY13. In Chapter – 4 of this Order, the Commission has taken up Annual Performance Review for FY11 based on the actual expenditure furnished by BESCO as per Provisional Accounts certified by Statutory Auditors. As discussed in Chapter – 4 of this order, the deficit of FY11 is

carried forward to the ARR of FY12 and net deficit for FY12 has been determined.

Further, the Commission has noted that the revision of retail tariff of electricity has for some years been confined to the energy charges and the fixed charges have remained unchanged. However, the fixed costs of electricity distribution in augmenting the infrastructure and staff costs have gone up over the years and it would not be appropriate to load all these costs on the tariff for energy alone. The Commission has therefore allocated a part of the increased requirement of revenue to the fixed charges component by marginally increasing the fixed charges per KW by about Rs.5/- per month.

In the light of the above, the Commission has considered the existing revenue of all the categories and committed subsidy for BJ/KJ and IP sets while arriving at tariff determination for FY12. The revenue deficit of BESCOM for FY12, as per the existing revenue is worked out as under:

**TABLE – 6.1**  
**Revenue Deficit for FY12**

<b>Particulars</b>	<b>Rs. In Cr.</b>
Approved Net ARR including deficit of FY11	<b>10406.86</b>
Revenue at existing rates from Sale of power (without BJ/KJ & IP set Revenue including Misc. Revenue)	<b>9223.06</b>
Surplus/(Deficit) before subsidy	<b>(1183.80)*</b>

**\* Excluding Regulatory Assets.**

**Note: The Commission has considered existing revenue as per statement D-21 as furnished by ESCOM, duly correcting the errors.**

As per the approved ARR for FY12, the average cost of supply to be recovered through tariff is Rs.4.75 per unit.

On the basis of the above revenue deficit, the Commission has proceeded to determine the tariff based on the approved ARR. The category-wise tariff as existing, as proposed by BESCOM and as approved by the Commission are as follows:

## 1. LT-1 Bhagya Jyothi

The existing tariff and the tariff proposed by BESCOM are given below:

Sl. No	Details	Existing (As per 2010 tariff order)	Proposed by BESCOM
1	Energy charges (including recovery towards service main charges)	443 P / Unit Subject to a monthly minimum of Rs. 30 per installation per month.	Nil Fully subsidized by GoK

### Commission's Views/ Decision

The GoK, as a policy, has extended free power to all BJ/KJ consumers, whose consumption is not more than 18 units per month. Hence, the tariff payable by these consumers is the revised average cost, which is Rs.4.75 per unit. Further, the ESCOMs have to claim subsidy for only those consumers who consume 18units or less per month per installation. 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).

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

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

Commission determined Tariff	Retail Supply Tariff determined by the Commission
475 Paise per unit, Subject to a monthly minimum of Rs. 30 per installation per month.	-Nil- Since it is fully subsidized

**\*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. 4.75 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).

## 2. LT2 (a) Domestic Consumers:

### BESCOM's Proposal:

The details of the existing and proposed tariff under this category are given in the Table below:

### Proposed Tariff for LT-2 (a)

#### LT-2 a (i) Domestic Consumers Category

**Applicable to areas coming under Bruhat Bangalore Mahanagarapalike (BBMP) and Davangere City Municipal Corporation and Urban Local Bodies**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed Charges per Month	For the first KW Rs.20	For the first KW Rs.20
	For every additional KW Rs.30	For every additional KW Rs.30
Energy Charges 0-30 units ( <b>life line Consumption</b> )	0 to 30 units 210 paise/unit	0 to 30 units 298 paise /unit
Energy Charges exceeding 30 Units per month	31 to 100 units 320 paise/unit	31 to 100 units 408 paise / unit
	101 to 200 units 420 paise /unit	101 to 200 units 508 paise /unit
	Above 200 units 500 paise /unit	Above 200 units 588 paise /unit

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

**Applicable to Areas under Village Panchayats**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	For the first KW Rs.10	For the first KW Rs.10
	For every additional KW Rs.20	For every additional KW Rs.20

Energy Charges 0-30 units ( <b>life line Consumption</b> )	0 to 30 units 200 paise /unit	0 to 30 units 288 paise /unit
Energy Charges exceeding 30 Units per month	31 to 100 units 300 paise /unit	31 to 100 units 388 paise /unit
	101 to 200 units 400 paise /unit	101 to 200 units 488 paise /unit
	Above 200 units 450 paise /unit	Above 200 units 538 paise /unit

### Commission's Views/ Decision

- a) The Commission has decided to continue two tier tariff in respect of the domestic consumers as shown below:
- (i) Areas coming under Bruhat Bangalore Mahanagara Palike (BBMP) Area, Davangere City Municipal Corporation and all Urban Local Bodies
- (ii) Areas under Village Panchayats.

**The Commission approves the tariff for this category as follows:**

#### Approved Tariff for LT 2 (a) (i) Domestic Consumers Category:

**Applicable to Areas coming under Bruhat Bangalore Mahanagara Palike (BBMP) Area, Municipal Corporation and all Urban Local Bodies**

Details	Tariff approved by the Commission
Fixed charges per Month	For the first KW Rs.25
	For every additional KW Rs.35
Energy Charges up to 30 Units per month (0-30 Units)- <b>life line consumption.</b>	Upto 30 units:220 paise/unit
Energy Charges in case the Consumption exceeds 30 Units per month	31 to 100 units:340 paise/unit
	101 to 200 units:450 paise/unit
	Above 200 units:550 paise/unit

**LT-2(a)(ii) Domestic Consumers Category:  
Applicable to Areas under Village Panchayats**

Details	Tariff approved by the Commission
Fixed charges per Month	For the first KW Rs.15
	For every additional KW Rs.25
Energy Charges up to 30 Units per month (0-30 Units)- <b>Lifeline Consumption</b>	Upto 30 units: 210 paise/unit
Energy Charges in case the Consumption exceeds 30 Units per month	31 to 100 units: 310 paise/unit
	101 to 200 units: 420 paise/unit
	Above 200 units: 500 paise/unit

**3. LT2 (b) Private Professional Educational Institutions etc.**

**BESCOM's Proposal:**

The details of the existing and proposed tariff by BESCOM under this category are given in the Table below:

**LT 2 (b) i Private and Professional Educational Institutions :  
Applicable in BBMP Areas, Davanagere city Corporation and all areas  
under urban Local Bodies**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs.30 Per KW subject to a minimum of Rs.60 PM	Rs.30 Per KW subject to a minimum of Rs.60 PM
Energy Charges	For the first 100 units 495 paise per unit	For the first 100 units 583 paise per unit
	For the next 100 units 555 paise per unit	For the next 100 units 643 paise per unit
	For the next 200 units 590 paise per unit	For the next 200 units 678 paise per unit
	For the Balance units 635 paise per unit	For the Balance units 723 paise per unit

**LT 2 (b) ii Private & Professional Educational Institutions :  
Applicable in Areas under Village Panchayats**

Details	Existing as per 2010 Tariff Order	Proposed by BESCO
Fixed charges per Month	Rs.20 Per KW subject to a minimum of Rs.40 PM	Rs.20 Per KW subject to a minimum of Rs.40 PM
Energy Charges	For the first 100 units 440 paise per unit	For the first 100 units 528 paise per unit
	For the next 100 units 490 paise per unit	For the next 100 units 578 paise per unit
	For the next 200 units 545 paise per unit	For the next 200 units 633 paise per unit
	For the Balance units 600 paise per unit	For the Balance units 688 paise per unit

**Commission's Views/ Decision**

**Commission approves the tariff of this category as follows:**

**Approved Tariff for LT 2 (b) (i) Private Professional Educational Institutions  
Applicable in BBMP Areas, Municipal Corporation areas and all areas coming under urban Local Bodies**

Details	Tariff approved by the Commission
Fixed charges per Month	Rs.35 Per KW subject to a minimum of Rs.65 PM
Energy Charges	0-200 units: 550 paise/unit
	Above 200 units: 650 paise/unit

**Approved Tariff for LT 2 (b) (ii) Private Professional Educational Institutions Applicable in Areas under Village Panchayats**

Details	Tariff approved by the Commission
Fixed charges per Month	Rs.25 Per KW subject to a minimum of Rs.50 PM
Energy Charges	0-200 units: 500 paise/unit
	Above 200 units: 600 paise/unit

#### 4. LT3- Commercial Lighting & Heating

##### BESCOM's Proposal:

The existing and proposed tariff is as follows:

##### LT- 3 (i) Commercial Lighting & Heating

**Applicable in areas Coming under BBMP and Davangere City Municipal Corporation and all areas under urban local bodies**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs. 35 per KW	Rs. 35 per KW
	For the first 50 units 560 paise per unit	For the first 50 units 648 paise per unit
	For the balance units 680 paise per unit	For the balance units 768 paise per unit

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

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges	Rs. 50 per KW	Rs. 50 per KW
Energy Charges	For the first 50 units 560 paise per unit	For the first 50 units 648 paise per unit
	For the balance units 680 paise per unit	For the balance units 768 paise per unit

##### LT-3 (ii) Commercial Lighting & Heating

**Applicable in areas under village Panchayats**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs. 25 per KW	Rs. 25 per KW
Energy Charges	For the first 50 units 540 paise per unit	For the first 50 units 628 paise per unit
	For the balance units 640 paise per unit	For the balance units 728 paise per unit

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

Details	Existing as per 2010 Tariff Order	Proposed by BESCO
Fixed charges per Month	Rs. 40 per KW	Rs. 40 per KW
Energy Charges	For the first 50 units 540 paise per unit	For the first 50 units 628 paise per unit
	For the balance units 640 paise per unit	For the balance units 728 paise per unit

### Commission's Views/ Decision

As in the previous Tariff Order dated 07.12.2010, the Commission decides to continue tariff at two levels i.e.

- (i) BBMP area and Davangere City Municipal Corporation and areas coming under other urban local bodies
- (ii) Areas under Village Panchayats

### LT- 3 (i) Commercial Lighting & Heating

**Applicable to areas under BBMP, Municipal Corporation and areas under other urban local bodies**

Details	Approved by the Commission
Fixed charges per Month	Rs. 40 per KW
Energy Charges	For the first 50 units: 600 paise/ unit
	For the balance units: 700 paise/unit

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

Details	Approved by the Commission
Fixed charges per Month	Rs. 55 per KW
Energy Charges	For the first 50 units: 600 paise /unit
	For the balance units: 700 paise/unit

**LT-3 (ii) Commercial Lighting & Heating**  
**Applicable to areas under Village Panchayats**

Details	Approved by the Commission
Fixed charges per Month	Rs. 30 per KW
Energy Charges	For the first 50 units: 550 paise per unit
	For the balance units: 650 paise per unit

**Demand based tariff (Optional)** where sanctioned load is above 5 kW but below 50 kW

Details	Approved by the Commission
Fixed charges per Month	Rs. 45 per KW
Energy Charges	For the first 50 units: 550 paise per unit
	For the balance units: 650 paise per unit

**5. LT4-Irrigation pump sets:**

**BESCOM Proposal:**

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

**LT-4 (a) Irrigation pump sets**  
**Applicable to IP sets upto and inclusive 10 HP**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Nil	Free (In case GoK does not release the subsidy in advance, CDT of 141paise per unit will be demanded and collected from consumers)
Energy charges	CDT 141 paise per unit	

**Commission's Views/ Decision**

The Government of Karnataka has extended free power as per Government Order EN 55 PSR 2008 dated 04.09.2008. As per this policy of GoK, the entire cost of supply to IP sets upto & inclusive of 10 HP is

being borne by the GoK through tariff subsidy. In view of this all the categories under the existing LT-4a tariff are covered under free supply of power.

The subsidy allocation for BESCOM for FY12 is Rs. 661.25 Crores as per Government's letter No. EN 74 PSR 2009 dated: 4.5.2011. Commission while determining tariff for FY12 has revised the subsidy allocation among ESCOMs. Accordingly revised subsidy for IP sets / BJ/KJ installations is Rs.607.09 crores. Considering the sales of 4578 MU to LT-4a category, the CDT works out to Rs. 1.21/unit. In case GoK does not pay the subsidy, BESCOM has to recover the tariff from IP set consumers at CDT of Rs. 1.21/unit.

**Approved by the Commission**

**LT-4 (a) Irrigation pump sets**

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

Details	Approved by the Commission
Fixed charges per Month	<b>Nil*</b>
Energy charges	
CDT (Commission Determined Tariff): 121 paise per unit	

**\* In case the GoK does not release the subsidy in advance, a tariff of Rs.1.21 per unit shall be demanded and collected from these consumers.**

**LT4 (b) Irrigation pump sets above 10 HP**

**BESCOM's Proposal**

Existing and proposed tariff for LT-4(b) is as follows:

**LT-4 (b) Irrigation pump sets:  
Applicable to IP sets above 10 HP**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs. 30 per HP	Rs. 30 per HP
Energy charges	125 paise per unit	213 paise per unit

The existing and proposed tariff for LT4(c) is as follows:

**LT-4 (c) (i) Irrigation pump sets :**

**Applicable to Private Horticultural Nurseries, Coffee and Tea plantations up to & inclusive 10 HP**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs. 20 per HP	Rs. 20 per HP
Energy charges	125 paise per unit	213 paise per unit

**LT-4 (c) (ii) Irrigation pump sets:**

**Applicable to Private Horticultural Nurseries, Coffee and Tea plantations above 10 HP.**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs. 30 per HP	Rs. 30 per HP
Energy charges	125 paise per unit	213 paise per unit

**Approved Tariff:**

The Commission decides to revise the tariff in respect of the following categories:

**LT-4 (b) Irrigation pump sets:  
Applicable to IP sets above 10 HP**

Fixed charges per Month	Rs. 30 per HP per month.
Energy charges for the entire consumption	140 paise/unit

**LT4(c) (i) Irrigation Pump sets**

**Applicable to Horticultural Nurseries,**

**Coffee and Tea plantations up to & inclusive 10 HP**

Fixed charges per Month	Rs.20 per HP per month.
Energy charges	140 paise / unit

**LT4 (c)(ii) Irrigation pump sets  
Applicable to Horticultural Nurseries, Coffee and Tea plantations  
above 10 HP**

Fixed charges per Month	Rs.30 per HP per month.
Energy charges	140 paise/unit

**6. LT5 Installations-LT Industries:**

The existing and proposed tariffs by BESCOM are given below:

**LT-5 (a) LT Industries:  
Applicable to Bangalore Metropolitan Area &  
Davanagere City Municipal Corporation**

**i) Fixed charges**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	i) Rs. 25 per HP for 5 HP & below ii) Rs. 30 per HP for above 5 HP & below 40 HP iii) Rs. 40 per HP for 40 HP & above but below 67 HP iv) Rs. 110 per HP for 67 HP & above	i) Rs. 25 per HP for 5 HP & below ii) Rs. 30 per HP for above 5 HP & below 40 HP iii) Rs. 40 per HP for 40 HP & above but below 67 HP iv) Rs. 110 per HP for 67 HP & above

**ii) Demand based Tariff (Optional)**

Details	Description	Existing Tariff as per 2009 Tariff order	Proposed by BESCOM
	Above 5 HP and less than 40 HP	Rs. 50 per KW of billing demand	Rs. 50 per KW of billing demand
	40 HP and above but less than 67 HP	Rs. 70 per KW of billing demand	Rs.70 per KW of billing demand
	67 HP and above	Rs. 160 per KW of billing demand	Rs. 160 per KW of billing demand

**iii) Energy Charges**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
For the first 500 units	360 paise per unit	448 paise/ unit
For the next 500 units	450 paise per unit	538 paise /unit
For the balance units	470 paise per unit	558 paise/ unit

**LT-5 (b) LT Industries :**

**Applicable to all areas other than those covered under LT-5(a)**

**i) Fixed charges**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
<b>Fixed Charges per Month</b>	i)Rs. 20 per HP for 5 HP & below ii) Rs. 25 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	i) Rs. 20 per HP for 5 HP & below ii) Rs. 25 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)**

Details	Description	Existing Tariff as per 2010 Tariff order	Proposed by BESCOM
	Above 5 HP and less than 40 HP	Rs. 40 per KW of billing demand	Rs. 40 per KW of billing demand
	40 HP and above but less than 67 HP	Rs. 60 per KW of billing demand	Rs. 60 per KW of billing demand
	67 HP and above	Rs. 150 per KW of billing demand	Rs. 150 per KW of billing demand

**iii. Energy Charges**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
For the first 500 units	360 paise per unit	448 paise/ unit
For the next 500 units	420 paise per unit	508 paise/ unit
For the balance units	460 paise per unit	548 paise/ unit

**Existing TOD Tariff for LT5 (a) & (b): At the option of the consumers  
TOD Tariff**

<b>Time of Day</b>	<b>Increase (+ )/ reduction (-) in energy charges over the normal tariff applicable</b>
22.00 Hrs to 06.00 Hrs	(-) 80 paise per unit
06.00 Hrs to 18.00 hrs	0
18.00 Hrs to 22.00 Hrs	+ 80 paise per unit

**Proposed TOD Tariff for LT5 (a) & (b): At the option of the consumers  
TOD Tariff**

<b>Time of Day</b>	<b>Increase (+ )/ reduction (-) in energy charges over the normal tariff applicable</b>
22.00 Hrs to 06.00 Hrs	(-) 80 paise per unit
06.00 Hrs to 18.00 hrs	0
18.00 Hrs to 22.00 Hrs	+ 80 paise per unit

**Approved Tariff:**

**Time of the Day Tariff :**

In the last two tariff orders issued on 29.11.2009 and 7.12.2010, the Commission had included Time of Day Tariff for HT & LT Industries and HT water Supply consumers on optional basis. A premium of 80 paise per unit was payable by these consumers except HT water Supply, for energy used during the peak hours of 18.00 hrs to 22 hrs, and a rebate of 80 paise was allowed on energy consumed by them between 22 hrs to 6.00 hrs. For HT water supply, a premium of 60 paise per unit was payable for energy used during the peak hours of 18.00 hrs to 22 hrs, and a rebate of 60 paise was allowed on energy consumed by them between 22 hrs to 6.00 hrs. Many consumers have opted for this tariff already and some others have suggested modification of the tariff to further incentivise adoption of Time of Day Tariff by consumers. Having considered the suggestions received in this regard, the Commission has deliberated on making the Time of Day Tariff compulsory for consumers with a connected load of more than 1 MW. However, the Commission has decided that the optional nature of Time of Day Tariff should continue for one more year before a decision can be taken on making it compulsory. Further, to make the Time of Day Tariff more acceptable to the consumers, the Commission has decided to increase the

additional charge for consumption during peak hours to Re.1.00 per unit and the rebate for energy consumed during the night hours to Rs.1.25 per unit. The Commission would like to assess the impact of the Time of Day Tariff on the peak demand in industrial feeders during the current year and review the matter at the time of the Annual Performance Review of 2012.

Further, the Commission has decided to continue with two levels of tariff introduced in the previous Tariff Order, which is as follows:

- i) LT5 (a): For areas falling under BBMP & Davangere City Municipal Corporation
- ii) LT5 (b): For areas other than those covered under LT5 (a) above.

The Commission approves the tariffs under LT 5 (a) and 5 (b) as given below:

**Approved Tariff for LT 5 (a) :  
Applicable to areas under BBMP and Municipal Corporations**

**i) Fixed charges**

Details	Approved by the Commission
<b>Fixed Charges per Month</b>	i) Rs. 30 per HP for 5 HP & below ii) Rs. 30 per HP for above 5 HP & below 40 HP iii) Rs. 40 per HP for 40 HP & above but below 67 HP iv) Rs. 110 per HP for 67 HP & above

**Demand based Tariff (optional)**

<b>Demand based Tariff</b>	Above 5 HP and less than 40 HP	Rs. 50 per KW of billing demand
	40 HP and above but less than 67 HP	Rs. 70 per KW of billing demand
	67 HP and above	Rs. 160 per KW of billing demand

**ii) Energy Charges**

Details	Approved by the Commission
For the first 500 units	400 paise/unit
For the balance units	500 paise/ unit

**Approved Tariff for LT 5 (b) :**  
**Applicable to all areas other than those covered under LT-5(a)**

**i) Fixed charges**

Details	Approved Tariff
<b>Fixed Charges per Month</b>	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)**

Details	Description	Approved Tariff
<b>Demand based Tariff</b>	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**

Details	Approved tariff
For the first 500 units	380 paise/ unit
For the next 500 units	450 paise/ unit
For the balance units	480 paise/unit

**Approved TOD Tariff for LT5 (a) & (b): At the option of the consumers**  
**TOD Tariff**

Time of Day	Increase (+ )/ reduction (-) in energy charges over the normal tariff applicable
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

## 7. LT6 Water Supply Installations and Street Lights

### BESCOM's Proposal:

The existing and proposed tariffs are given below:

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

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs. 35/KW/month	Rs. 35/KW/month
Energy charges	370 paise/unit	458 paise/unit

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

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
Fixed charges per Month	Rs. 50/KW/month	Rs. 50/KW/month
Energy charges	380 paise/unit	468 paise/unit

### Approved Tariff:

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

Details	Approved Tariff
Fixed charges per Month	Rs. 35/HP/month
Energy charges	370 paise/unit

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

Details	Approved Tariff
Fixed charges per Month	Rs. 50/KW/month
Energy charges	400 paise/unit

**8. LT 7- Temporary Installations:****BESCOM's Proposal:**

The existing rate and proposed rate by BESCOM are given below:

**Temporary Supply**

Details	Existing as per 2010 Tariff Order	Proposed by BESCOM
a) Less than 67 HP:	Energy charge at 750 paise per unit subject to a weekly minimum of Rs. 150 per KW of the sanctioned load.	Energy charge at 838 paise per unit subject to a weekly minimum of Rs. 150 per KW of the sanctioned load.
b) 67 HP and above:		
Fixed charges	Rs.200/HP/month	Rs.200/HP/month
Energy Charge	750 paise per unit (weekly minimum of Rs. 150 per KW is not applicable)	838 paise per unit

**Commission's Views/Decision**

As in the previous Tariff Order dated 07.12.2010, the Commission decides to continue the inclusion of Hoarding & advertisement boards, which are temporary in nature under this Tariff category.

**LT-7 Approved Rates for Temporary Supply for all categories including  
Hoarding & Advertisement boards**

Details	Approved Tariff
<b>Less than 67 HP:</b>	Energy charge at 800 paise / unit subject to a weekly minimum of Rs. 160 per KW of the sanctioned load.
<b>67 HP and above:</b>	
Fixed charges	Rs.210/HP/month
Energy Charge	800 paise / unit (weekly minimum of Rs.160/- per KW is not applicable)

**9. H.T. Categories:****Time of the Tariff (ToD)**

The Commission has continued Time of Day (TOD) Tariff based on time of day usage as optional to consumers under LT 5 Industrial category (wherever trivector meter is fixed) and under HT 2 (a) industrial category and HT 1 water supply installations category. Details of ToD tariff are indicated under the respective tariff category.

**10. HT1 Water Supply & Sewerage****BESCOM's Proposal:****Existing and Proposed tariff by BESCOM**

Sl. No.	Details	Existing tariff as per 2010 order	Proposed tariffs
1	Demand charges	Rs. 180 / kVA of billing Demand / month	Rs. 180 / kVA for billing demand / month
2	Energy charges	380 paise per unit	468 paise per unit

**Existing TOD tariff to HT-1 Water Supply & Sewerage  
at the option of the consumer**

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
22.00 Hrs to 06.00 Hrs next day	(-) 60 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	+ 60 Paise per unit

**Proposed TOD Tariff to HT-2(a)**

Time of day	Increase (+) / reduction (-) the energy charges over the normal tariff applicable
22.00 Hrs to 06.00 Hrs next day	(-) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 125 Paise per unit

**Commission's Views/Decision**

**The Commission approves the tariff for HT 1 Water Supply & Sewerage category as below:**

<b>Details</b>	<b>Approved Tariff for HT 1</b>
Demand charges	Rs. 180 / kVA of billing demand / month
Energy charges	380 paise/ unit

**Approved TOD tariff to HT-1 Water Supply & Sewerage at the option of the consumer**

<b>Time of day</b>	<b>Increase (+) / reduction (-) in the energy charges over the normal tariff applicable</b>
22.00 Hrs to 06.00 Hrs next day	(-) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit

**11. HT2 (a) – HT Industries & HT 2(b) Installations – HT Commercial**

**BESCOM's Proposal:**

**Existing & proposed tariff – HT – 2 (a) (i) – HT Industries  
Applicable to Bangalore Metropolitan Area & Davanagere City  
Municipal Corporation**

<b>Details</b>	<b>Existing tariff as per tariff order 2010</b>	<b>Proposed by BESCOM</b>
Demand charges	Rs. 180 / kVA of billing demand / month	Rs. 180 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	460 paise per unit	548 paise per unit
(ii) For the balance units	500 paise per unit	588 paise per unit

**Existing & proposed tariff – HT – 2 (a) (ii) - HT Industries**  
**Applicable to areas other than those covered under HT-2(a)**

Details	Existing tariff as per tariff order 2010	Proposed by BESCO
Demand charges	Rs. 170 / kVA of billing demand / month	Rs. 170 / kVA of billing demand / month
Energy charges (iii) For the first one lakh units	460 paise per unit	548 paise per unit
(iv) For the balance units	490 paise per unit	578 paise per unit

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

Details	Existing tariff as per tariff order 2010	Proposed by BESCO
Demand charges	Rs. 180 / kVA at billing demand / month	Rs. 180 / kVA of billing demand / month
Energy charges	460 paise per unit for all the units	548 paise per unit for all the units

**Existing TOD Tariff to HT-2(a)**

Time of day	Increase (+) / reduction (-) the energy charges over the normal tariff applicable
22.00 Hrs to 06.00 Hrs next day	(- )80 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	+ 80 Paise per unit

**Proposed TOD Tariff to HT-2(a)**

Time of day	Increase (+) / reduction (-) the energy charges over the normal tariff applicable
22.00 Hrs to 06.00 Hrs next day	(- ) 125 Paise per unit
06.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 125 Paise per unit

**Tariff for Metro Rail Corporation**

Details	Existing tariff as per tariff order 2010	Proposed by BESCO
Demand charges	Rs. 180 / kVA at billing demand / month	Rs. 180 / kVA of billing demand / month
Energy charges	407 paise per unit for all the units	495 paise per unit for all the units

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

The Commission approves the tariff for HT 2(a) category as below:

**Applicable to areas under BBMP and Municipal Corporations**

Details	Tariff approved by the Commission
Demand charges	Rs. 180 / kVA of billing demand / month
Energy charges	
For the first one lakh units	490 paise/ unit
For the balance units	530 paise/ unit

**Approved Tariff for HT – 2 (a) (ii) :****Applicable to areas other than those covered under HT-2(a)**

Details	Approved Tariff
Demand charges	Rs. 170 / kVA of billing demand / month
Energy charges	
For the first one lakh units	490 paise/ unit
For the balance units	520 paise/ unit

**Approved TOD Tariff to HT-2(a) (i) & HT –2(a) (ii)**

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

**Railway Traction & Effluent Treatment Plants applicable to both HT2a(i) & HT2 a(ii)**

Details	Tariff approved by the Commission
Demand charges	Rs. 180 / kVA of billing demand / month
Energy charges	460 paise / unit for all the units

**Tariff for Metro Rail Corporation**

As determined earlier, on the basis of principles of average cost of supply, the Commission decides to revise the tariff as below :

Details	Tariff Approved by the Commission
Demand Charge	Rs.180 per KVA of the billing demand
Energy Charge for entire consumption	440 Paise per unit

## 12. HT-2 (b) HT Commercial

### BESCOM's Proposal:

#### Existing and proposed tariff HT – 2 (b) (i) HT Commercial Applicable to BBMP area & Davanagere City Municipal Corporation

Details	Existing tariff as per tariff order 2010	Proposed by BESCOM
Demand charges	Rs. 200 / kVA of billing demand / month	Rs. 200 / kVA of billing demand / month
Energy charges		
(i) For the first two lakh units	600 paise per unit	688 paise per unit
(ii) For the balance units	630 paise per unit	718 paise per unit

#### Existing and proposed tariff HT – 2 (b) (ii) HT Commercial

#### Applicable to areas other than those covered under HT-2(b) (i)

Details	Existing tariff as per tariff order 2010	Proposed by BESCOM
Demand charges	Rs. 190 / kVA of billing demand / month	Rs. 190 / kVA of billing demand / month
Energy charges		
(i) For the first two lakh units	600 paise per unit	688 paise per unit
(ii) For the balance units	630 paise per unit	718 paise per unit

### Commission's Views/Decision

The Commission approves the following tariff for HT 2 (b) consumers:

#### Approved tariff for HT – 2 (b) (i)

##### Applicable to areas under BBMP and Municipal Corporations

Details	Tariff approved by the Commission
Demand charges	Rs. 200 / kVA of billing demand / month
Energy charges	
(i) For the first two lakh units	650 paise per unit
(ii) For the balance units	680 paise per unit

#### Approved tariff for HT – 2 (b) (ii) - HT Commercial

##### Applicable to all areas other than covered under HT-2(b) (i) above

Details	Tariff approved by the Commission
Demand charges	Rs. 190 / kVA of billing demand / month
Energy charges	
(i) For the first two lakh units	630 paise per unit
(ii) For the balance units	660 paise per unit

### 13. HT-3(a) Lift Irrigation Schemes under Government Departments / Government owned Corporations/ Lift Irrigation Schemes under Pvt /Societies:

The existing and proposed tariff by BESCOM is given below:

#### Existing and proposed tariff for HT – 3 (a) –Lift Irrigation Schemes

##### HT 3(a) (i) Applicable to LI Schemes under Government Departments / Government owned Corporations

Details	Existing charges as per tariff order 2010	Proposed charges by BESCOM
Energy charges/ minimum charges	105 paise / unit Subject to an annual minimum of Rs. 1000 per Hp / annum	193 paise / unit Subject to an annual minimum of Rs. 1000 per Hp / annum

**HT 3(a) (ii) Applicable to Pvt. LI Schemes and Lift Irrigation Societies :  
Connected to Urban / Express feeders**

Details	Existing Tariff	Proposed by BESCOM
Fixed charges	Rs. 20 / HP / Month of sanctioned load	Rs. 20 / HP / Month of sanctioned load
Energy charges	65 paise / unit	153 paise / unit

**HT 3(a) (iii) Applicable to Pvt. LI Schemes and Lift Irrigation Societies :  
other than those fed through express/ urban feeders**

Details	Existing Tariff	Proposed by BESCOM
Fixed charges	Rs. 10 / HP / Month of sanctioned load	Rs. 10 / HP / Month of sanctioned load
Energy charges	65 paise / unit	153 paise / unit

BESCOM has not proposed any change in energy charges and annual minimum / Fixed charges in this category

**Commission's Analysis & Decision**

Approved Tariff is as follows

**Approved tariff for HT 3 (a) (i)  
Applicable to LI schemes under Govt. Dept. / Govt. owned  
Corporations**

Energy charges / Minimum charges	<b>105 paise/ unit subject to an annual minimum of Rs. 1000 per HP / annum</b>
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**Approved tariff for HT 3 (a) (ii)  
Applicable to Pvt. LI Schemes and Lift Irrigation Societies fed through  
express/ urban feeders**

Fixed charges	Rs. 30 / HP / Month of sanctioned load
Energy charges	65 paise / unit

**Approved tariff for HT 3 (a) (iii)**  
**Applicable to Pvt. LI Schemes and Lift Irrigation Societies other**  
**than those fed through express/ urban feeders**

Fixed charges	Rs. 10 / HP / Month of sanctioned load
Energy charges	65 paise / unit

**HT3 (b) Irrigation & Agricultural Farms Government Horticulture farms,  
Private Horticulture Nurseries, Coffee, tea, Coconut & Arecanut  
Plantations:**

**BESCOM's Proposal:**

The existing and proposed tariffs by BESCOM are given below:

Details	Existing tariff order 2010	Proposed tariff by BESCOM
Energy charges / minimum charges	275 paise / unit subject to an annual minimum of Rs. 1000 per HP of sanctioned load	363 paise / unit subject to an annual minimum of Rs. 1000 per HP of sanctioned load

BESCOM has not proposed any change in energy charges and annual minimum / Fixed charges in this category.

**Commission's Views/Decision**

The Commission retains the existing tariff structure for this category as per the approved tariff indicated below:

Details	Approved Tariff
Energy charges / minimum charges	275 paise / unit subject to an annual minimum of Rs. 1000 per HP of sanctioned load

## 14. HT4- Residential Apartments/ Colonies

### BESCOM's Proposal:

The existing & proposed tariff by BESCOM for this category is given below:

### Existing and proposed tariff for HT – 4 - Residential Apartments/ Colonies

#### HT – 4 (a) Applicable to areas under BBMP & Davanagere City Municipal Corporation

Details	Existing tariff order 2010	Proposed tariff by BESCOM
Demand charges	Rs. 100 / kVA of billing demand	Rs. 100 / kVA of billing demand
Energy charges	430 paise per unit	518 Paise/ unit

#### HT – 4 (b) Applicable to areas other than those covered under HT4 (a) - Residential Apartments/ Colonies

Details	Existing tariff order 2010	Proposed tariff by BESCOM
Demand charges	Rs. 100 / kVA of billing demand	Rs. 100 / kVA of billing demand
Energy charges	400 paise per unit	488 paise per unit

BESCOM has not proposed any change in the fixed charges but has proposed increase of 88 paise per unit in energy charges for all the slabs.

### Commission's Views/Decision

The Commission decides continue the existing tariffs structure and the tariff approved by the Commission is as under:

#### HT – 4 (a) Residential Apartments/ Colonies Applicable to areas under BBMP and Municipal Corporations

Demand charges	Rs. 100 / kVA of billing demand
Energy charges	450 Paise/ unit

**HT – 4 (b) Residential Apartments/ Colonies  
Applicable to areas other than those covered under HT4 (a) above**

Demand charges	Rs. 100 / kVA of billing demand
Energy charges	450 Paise / unit

The Approved Tariff schedule for FY12 is enclosed in **Annex – 5** of this Order.

## 6.5 Other Issues

### 1) Tariff for Green Power:

**As in the Commission Order 7.12.2010, the Commission decides to continue Green Tariff at Re.1.00 per unit as the additional tariff over and above the normal tariff to be paid by HT-consumers, who opt for Green Tariff.**

## 6.6 Determination of Wheeling Charges

BESCOM has not proposed any wheeling charge in their filings.

Clause 4.3 of the KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006, specifies as under:

***‘Wheeling Charges payable by the users of the Distribution system under open access shall be determined considering the distribution charge and reasonable loss compensation linked to applicable technical loss benchmark’***

Further Clause 2.2 of the said Regulations also requires the Licensee to segregate accounts into Distribution and Retail Supply to enable distribution tariff determination for the licensee separately.

In determining the wheeling charges for each voltage level, the Commission has adopted the methodology of recovery of ARR for

distribution wires business on energy basis as done in the previous years.

The Commission has adopted its earlier practice of allocating the distribution network costs to HT and LT networks for determining wheeling charges in the ratio of 30:70. Based on the approved ARR for distribution business, the wheeling charges to each voltage level is worked out as under:

**TABLE – 6.2**  
**Wheeling charges**

Distribution ARR-Rs. Crs	701.72
Sales-MU	21911
Wheeling charges- paise/unit	32
	<b>Paise/unit</b>
HT-network (after rounding off to nearest paise)	10
LT-network (after rounding off to nearest paise)	22

**With a view to encouraging solar energy generation and its use through the grid, the Commission decides not to charge any wheeling charge on transmission / wheeling of solar energy.**

In addition to the above, the following technical losses are applicable to all open access transaction:

Loss allocation	% loss
HT	2.94
LT	7.06

**Note: Total loss is allocated to HT, LT & Commercial loss based on MYT Order dated 11.01.08, as BESCOM has not furnished energy flow diagram.**

The actual wheeling charges payable will depend upon the point of injection & point of drawal as under:

<b>paise/unit</b>		
Injection point →	<b>HT</b>	<b>LT</b>
Drawal point ↓		
<b>HT</b>	10 (2.94%)	32 (10.00%)
<b>LT</b>	32 (10.00%)	22 (7.06%)

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

The wheeling charges as determined above are applicable to all the open access transactions for using the BESCOM network, except for energy wheeled from NCE sources to the consumers in the State. In case the NCE energy is wheeled from the State to a consumer/others outside the State, the wheeling charges in such cases would be as per the wheeling charges determined above. For the wheeling of NCE energy within the State, the wheeling charges shall be 5% of the injected energy and for wind and mini-hydel sources of energy, additional banking charges of 2% are applicable, irrespective of the network used.

In case the wheeling of energy [other than NCE] involves usage of Transmission network or network of more than one licensee, the charges shall be as indicated below:

- i. If only transmission network is used, transmission charges determined by the Commission shall be payable to the Transmission Licensee.
- ii. If the Transmission network and the ESCOMs' network are used, Transmission Charges shall be payable to the Transmission Licensee. Wheeling Charges of the ESCOM where the power is drawn shall be shared equally among the ESCOMs whose networks are used.

**Illustration**

If a transaction involves transmission network & BESCOM's network and 100 units is injected, then at the drawal point the consumer is entitled for 86.42 units, after accounting for Transmission loss of 3.98% & BESCOM loss of 10.00%.

The Transmission charge in cash as determined in the Transmission Tariff order shall be payable to KPTCL & Wheeling charge of 32 paise per unit shall be payable to BESCOM. In case more than one ESCOM is involved the above 32 paise shall be shared by all ESCOMs involved.

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

**Illustration**

If a transaction involves injection to MESCOM's network & drawal at BESCOM's network, and 100 units is injected, then at the drawal point the consumer is entitled for 90 units, after accounting BESCOM's loss of 10.00%.

The Wheeling charge of 32 paise per unit applicable to BESCOM shall be equally shared between MESCOM & BESCOM.

**6.7 Other tariff related issues****i. Cross subsidy surcharge:**

BESCOM has not made any proposals on cross subsidy surcharge in their filings.

In order to encourage open access and to incentivise the State consumers to purchase power from outside the state at reasonable rates, thereby relieving the state of the extra burden of high cost energy, the Commission has decided to retain the cross subsidy surcharge at zero. In view of the projected shortage of power in FY12 also the Commission has decided to continue the same policy until further orders.

**The wheeling charges and cross subsidy surcharge determined above will supersede the charges determined earlier and are applicable to all open access transactions in the area coming under BESCOM.**

**The Commission directs the Licensees to account the transactions under open access separately. Further, the Commission directs the Licensees to carry forward the amount realized under Open Access to the next ERC, as it is an additional income to the Licensees.**

#### **ii. Rebate for Solar Water Heater**

During the Public hearing, several stakeholders have made submissions to increase the rebate for installing solar heaters to Rs.100 per installation per month. However, ESCOMs have not made any proposal in this regard.

#### **Commission's Decision**

Considering the financial position of ESCOMs, the Commission has decided to retain the existing rate of 50 paise per unit subject to a maximum of Rs.50 per installation per month.

#### **iii. Prompt payment incentive**

The Commission had approved a prompt payment incentive (i) in all cases of payment through ECS and (ii) in the case of monthly bill

exceeding Rs.1,00,000/- (Rs. One lakh). The rate of incentive was 0.25 % of the bill amount. The Commission decides to continue the same.

#### **iv. Relief to 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 2003/2005. The Commission approves continuation of the implementation of reliefs to sick industries by the Licensees subject to the collection of the amount of relief from the GoK in advance.

#### **v. Power Factor**

The Commission had retained the PF threshold limit and surcharge, both for LT and HT installations at the then existing levels in the Tariff Order 2005. The Commission has decided to continue the same in the present order as indicated below:

LT Category (covered under LT-3, LT-4, LT-5 & LT-6 where motive power is involved): 0.85

HT Category: 0.90

#### **vi. Rounding off of KW / HP**

In the Tariff Order 2005, the Commission had approved rounding off of fractions of KW / HP to the nearest quarter KW / HP for the purpose of billing and the minimum billing being for 1 KW / 1HP in respect of all the categories of LT installations including IP sets. This shall be followed accordingly. In the case of street light installations, fractions of KW shall be rounded off to the nearest quarter KW for the purpose of billing and the minimum billing shall be for a Quarter KW.

**vii. Self-Reading of Meters:**

In the Tariff Order 2005, the Commission had accorded approval for self-reading of meters by consumers and to issue bills based on such readings with BESCOM taking readings at least once in six months to reconcile the difference, if any, and raise the bills accordingly. It was also informed that, this procedure may be adopted by the BESCOM wherever considered appropriate under LT categories.

**viii. Interest on delayed payment of bills by consumers**

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

**ix. Security Deposit (3 MMD/ 2 MMD)**

The Commission had issued K.E.R.C. (Security Deposit) Regulations, 2007 on 01.10.2007 and the same has been notified in the official Gazette on 11.10.2007. The payment of security deposit shall be regulated accordingly, pending orders of the Hon'ble High Court in respect of WP 18215/2007.

**6.8 Gap after Tariff Revision**

The gap in revenue after tariff revision considering the committed subsidy by GoK and the additional revenue from tariff revision for categories other than BJ/KJ & IP Sets is worked out as under:

**TABLE – 6.3**  
**Gap after Tariff Revision**

Particulars	Amount in Rs Crs
Gap in Revenue without subsidy (before Regulatory Asset)	1274.77
Revised Subsidy	607.09
Gap in Revenue after Subsidy	667.68.
Additional Revenue from tariff revision	576.68
<b>Gap after tariff revision treated as Regulatory Asset</b>	<b>91.00</b>

After considering the revised subsidy allocation of Rs.607.09 Crores and after setting aside an amount of Rs.91 Crores as Regulatory asset, there will be no gap for FY12.

## **6.9 Effect of Revised Tariff**

As per the KERC(Tariff) Regulations 2000, read with MYT Regulations 2006, the ESCOMs have to file their applications for ERC/Tariff before 120 days of the close of each financial year in the control period. The Commission observes that the ESCOMs have filed their applications for revision of tariff on 15<sup>th</sup> June 2011. Since the revised tariff is effective for only a part of the year, the ESCOMs would be recovering revised tariff for only part of the year.

A statement indicating the proposed revenue and approved revenue is enclosed vide **Annexure – IV** and detailed tariff schedule is enclosed vide **Annexure - V**.