

**KARNATAKA ELECTRICITY REGULATORY
COMMISSION**

TARIFF ORDER 2021

OF

MESCOM

ANNUAL PERFORMANCE REVIEW FOR FY20

&

APPROVAL OF REVISED ANNUAL REVENUE REQUIREMENT

FOR FY22

&

REVISION of RETAIL SUPPLY TARIFF FOR FY22

9th June, 2021

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ABBREVIATIONS	
ABT	Availability Based Tariff
AEH	All Electric Home
A & G	Administrative & General Expenses
ARR	Annual Revenue Requirement
ATE	Appellate Tribunal for Electricity
BST	Bulk Supply Tariff
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
CEA	Central Electricity Authority
CPI	Consumer Price Index
CWIP	Capital Work in Progress
DA	Dearness Allowance
DCB	Demand, Collection & Balance
DPR	Detailed Project Report
EA	Electricity Act
EC	Energy Charges
ERC	Expected Revenue From Charges
ESAAR	Electricity Supply Annual Accounting Rules
ESCOMs	Electricity Supply Companies
FA	Financial Adviser
FKCCI	Federation of Karnataka Chamber of Commerce & Industry
FoR	Forum of Regulators
FY	Financial Year
GFA	Gross Fixed Assets
GoI	Government Of India
GoK	Government Of Karnataka
GRIDCO	Grid Corporation
HP	Horse Power
HRIS	Human Resource Information System
ICAI	Institute of Chartered Accountants of India
IFC	Interest and Finance Charges
IW	Industrial Worker
IP SETS	Irrigation Pump Sets
KASSIA	Karnataka Small Scale Industries Association
KEB	Karnataka Electricity Board
KER Act	Karnataka Electricity Reform Act
KERC	Karnataka Electricity Regulatory Commission
KM/Km	Kilometre
KPCL	Karnataka Power Corporation Limited
KPTCL	Karnataka Power Transmission Corporation Limited
kV	Kilo Volts
kVA	Kilo Volt Ampere
kW	Kilo Watt
kWH	Kilo Watt Hour
LDC	Load Despatch Centre

MAT	Minimum Alternate Tax
MD	Managing Director
MESCOM	Mangalore Electricity Supply Company
MFA	Miscellaneous First Appeal
MIS	Management Information System
MoP	Ministry of Power
MU	Million Units
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NFA	Net Fixed Assets
NLC	Neyveli Lignite Corporation
NCP	Non Coincident Peak
NTP	National Tariff Policy
O&M	Operation & Maintenance
P & L	Profit & Loss Account
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
PRDC	Power Research & Development Consultants
R & M	Repairs and Maintenance
ROE	Return on Equity
ROR	Rate of Return
ROW	Right of Way
RPI	Retail Price Index
RPO	Renewable Purchase Obligation
REC	Renewable Energy Certificate
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition System
SERCs	State Electricity Regulatory Commissions
SLDC	State Load Despatch Centre
SRLDC	Southern Regional Load Dispatch Centre
STU	State Transmission Utility
TAC	Technical Advisory Committee
TCC	Total Contracted Capacity
T&D	Transmission & Distribution
TCs	Transformer Centres
TR	Transmission Rate
VVNL	Visvesvaraya Vidyuth Nigama Limited
WPI	Wholesale Price Index
WC	Working Capital

KARNATAKA ELECTRICITY REGULATORY COMMISSION**No.16C-1. Miller Tank Bed Area, Vasanthnagar
BENGALURU - 560 052****Dated 9th June, 2021****In the matter of:**

Application of the Mangalore Electricity Supply Company Limited, in respect of the Annual Performance Review for FY20, Approval of Revised Annual Revenue Requirement for FY22 and Retail Supply Tariff for FY22, under Multi Year Tariff framework.

Present:	Shri Shambhu Dayal Meena	Chairman
	Shri H.M. Manjunatha	Member
	Shri M.D. Ravi	Member

O R D E R

The Mangalore Electricity Supply Company Ltd., (hereinafter referred to as 'MESCOM') is a Distribution Licensee, under the provisions of the Electricity Act, 2003. The MESCOM has filed its application on 30.11.2020 and has prayed for considering the following:

- Annual Performance Review for FY20, as per the tariff application;
- Energy Sales of MESCOM for the year FY21 (RE) and FY22, as per the tariff application.
- The revised Aggregate Revenue Requirement for FY22 and as projected in the tariff application.



- d. Average tariff hike of Rs.1.67 / unit to bridge the revenue gap of Rs.943.265 Crores and to approve the increase in fixed charges / demand charges and energy charges as proposed in the tariff application;
- e. The wheeling charges, cross subsidy surcharge and additional surcharge as per the tariff application;
- f. Condone any errors, omission and deletions in the petition and provide an opportunity to provide other necessary information as deemed fit.

In exercise of the powers conferred under Sections 62 and 64 and other provisions of the Electricity Act, 2003, the KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006, read with the KERC (Tariff) Regulations, 2000 and other enabling Regulations, the Commission has considered the said application and also the views and objections submitted by the consumers and other stakeholders while passing this Order. The Commission's decisions on various aspects, are brought out in the subsequent Chapters of this Order.

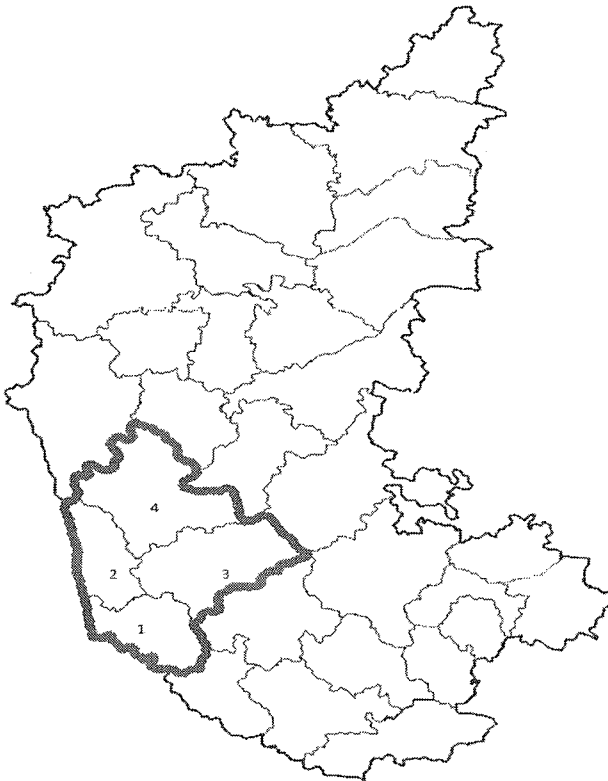


CHAPTER – 1

INTRODUCTION

1.0 Mangalore Electricity Supply Company Ltd.- (MESCOM):

The MESCOM is a Distribution Licensee under the provisions of Section 14 of the Electricity Act, 2003 (hereinafter referred to as the 'Act'). The MESCOM is responsible for purchase of power, distribution and retail supply of electricity to its consumers and also providing infrastructure for Open Access and Wheeling of energy in its area of operation, in the four Districts of the State as indicated below:



1. Dakshina Kannada
2. Udupi
3. Chikkamagaluru
4. Shivamogga

The MESCOM is a company registered under the Companies Act, 1956, incorporated on 30th April, 2002. The MESCOM commenced its operations on 1st June, 2002 covering initially a larger area than its present jurisdiction.

Subsequently, the MESCOM was split into two companies namely, the Mangalore Electricity Supply Company Ltd., with headquarters at Mangaluru covering five districts namely Dakshina Kannada, Udupi, Shivamogga, Chikkamagaluru and Kodagu and, the Chamundeshwari Electricity Supply Corporation Ltd., (CESC) with headquarters at Mysore covering four districts namely Mysore, Chamarajanagara, Mandya and Hassan. This came into effect from 1st April, 2005.

Later, Kodagu District was transferred from the MESCOM to the CESC with effect from 1st April, 2006.

MESCOM is having 2 O&M zones, 4 O&M circles and 13 O&M divisions. The MESCOM's area of operations is structured as follows:

O&M Zones	O&M Circles	O&M Divisions
Mangaluru	Mangaluru Circle	Mangaluru-1
		Mangaluru-2
		Bantwal
		Puttur
	Udupi Circle	Udupi
		Kundapura
Shivamogga	Shivamogga Circle	Shivamogga
		Bhadravathi
		Sagar
		Shikaripura
	Chikkamagaluru Circle	Kadur
		Chikkamagaluru
		Koppa

The O & M Divisions of the MESCOM are further divided into sixty-one Sub-Divisions with each of the Sub-Divisions having two to three O & M Section Offices. There are 238 O & M accounting / non-accounting Section Offices.

The Section Offices are the base level offices looking into operation and maintenance of the distribution system in order to provide reliable and quality power supply to the MESCOM's consumers.

1.1 The MESCOM at a glance:

The profile of MESCOM is as indicated below:

Sl. No.	Particulars (As on 30-09-2020)		Statistics
1	Area	Sq. Km.	26222
2	Districts	No.s	4
3	Taluks	No.s	29
4	Population	Lakhs	61.55
5	KPTCL Sub-stations (66kV & above)	No.s	95
6	MESCOM Sub-stations (33 kV)	No.s	42
7	Consumers	Lakhs	24.43
8	Distribution Transformer Centers	Nos.	84136
9	Assets (Net Fixed Assets As on (31-03-2020)	Rs. in Cr.	2406.16
10	HT lines	Ckt. Km	42286
11	LT lines	Ckt. Km	85830
12	Total employee strength:		
A	Sanctioned	Nos.	9274
B	Working	Nos.	5397
13	Rev. Demand in (FY20)	Rs. in Cr.	3954.29
14	Rev. Collection in (FY 20)	Rs. in Cr.	3824.93
15	Energy Sales in FY 19	MU	5244.42

Source : Tariff filing

1.2 Number of Consumers, Sales in MU to various categories of consumers and details of Revenue for FY20 as filed by MESCOM are as follows:

Category	No. of Consumers (As at the end of Sep-20)		Consumption (MU) (From Apr-20 to Sep-20)		Revenue (Rs. in Cr.) (From Apr-20 to Sep-20)	
BJ/KJ	182599	7.39%	27.07	1.09%	18.79	1.07%
Domestic	1611306	65.19%	778.35	31.45%	516.67	29.48%
LT-Commercial	223514	9.04%	157.28	6.35%	157.44	8.99%
IP Sets	357071	14.44%	898.96	36.31%	501.42	28.62%
LT-Industrial	32876	1.33%	54.26	2.19%	48.46	2.77%
WS & St.Lt.	42040	1.70%	104.75	4.23%	71.22	4.07%
Others	20342	0.82%	12.10	0.49%	25.32	1.45%
HT	2305	0.09%	442.79	17.89%	412.51	23.55%
Grand Total	2472053	100%	2475.56	100%	1751.83	100%

Mangalore Special Economic Zone Ltd, (MSEZL), as a deemed licensee, is purchasing power from MESCOM at the bulk supply tariff determined by the Commission. MSEZL, has filed a separate application for approval of APR for FY20, Revision of ARR for FY22 and retail supply tariff for its distribution and supply area for FY22.

MESCOM has filed its application for Annual Performance Review for FY20, approval of Revised Annual Revenue Requirement (ARR) for FY22 and Revision of Retail Supply Tariff for FY22.

MESCOM's application, the objections / views of stakeholders thereon and the Commission's decisions are discussed in detail, in the subsequent Chapters of this Order.



CHAPTER – 2

SUMMARY OF FILING & TARIFF DETERMINATION PROCESS

2.0 Background for Current Filing:

The Commission in its Tariff Order dated 4th November, 2020 had approved the revised ARR for FY21 duly considering the deficit / surplus of FY19 consequent to APR of FY19, and the Revised Retail Supply Tariff of MESCOM for FY21 under the MYT principles. The MESCOM, in its present application filed on 30th November, 2020, has sought approval for the Annual Performance Review (APR) for FY20 based on the audited accounts, Approval of ARR for FY22 and Revision of Retail Supply Tariff for FY22.

2.1 Preliminary Observations of the Commission:

After preliminary scrutiny of the application, the Commission had communicated its observations to the MESCOM on 14th December, 2020. The preliminary observations were mainly on the following points:

- Sales Forecast
- Capital Expenditure
- Assessment of Sales to IP sets
- Distribution Losses
- RPO Compliance
- Power Purchase
- Wheeling Charges
- Cross Subsidy Surcharge & Additional Surcharge
- Issues pertaining to items of Revenue and Expenditure
- Compliance to Directives issued by the Commission

The MESCOM, in response, had furnished its replies on vide letter dated 23.12.2020 and was received in the Commission's on 28th December 2020. The replies furnished by the MESCOM are considered in the respective Chapters of this Order.



2.2 Acceptance of Applications and Publication of Notices:

The Commission vide its letter dated 30th December, 2020 informed the MESCOM that, its application filed on 30th November, 2020, for APR of FY20, approval of Revised ARR for FY22 and revision of retail supply tariff for FY22, in the MESCOM area, has been treated as a petition, in terms of the Tariff Regulations, subject to further verification and validation and directed it to publish a summary of the application in the leading newspapers in the distribution area of MESCOM.

2.3 Public Hearing Process:

As per the Karnataka Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006, read with the KERC (Tariff) Regulations 2000, and the KERC (General and Conduct of Proceedings) Regulations, 2000, the Commission vide its letter dated 30th December, 2020 treated the application of the MESCOM as a petition and directed the MESCOM to publish the summary of ARR and Tariff proposals in the newspapers calling for objections, if any, from interested persons.

Accordingly, the MESCOM has published the same in the following newspapers:

Name of the News Paper	Language	Date of Publication
The Times of India	English	02.01.2021
Deccan Herald		
Udayavani	Kannada	03.01.2021
Vijayakarnataka (Mangalore & Shimoga Edition)		
Vijayavani (Mangalore & Shimoga Edition)		

The MESCOM's application for APR for FY20, Revision of ARR for FY22 and Revision of retail supply tariff for FY22, were also hosted on the web sites of the MESCOM and the Commission, for the ready reference and information of the stakeholders / general public.



In response to the application of the MESCOM, the Commission has received thirty-eight written objections with affidavit and sixteen without affidavit, within the time stipulated for filing the objections. The MESCOM has furnished its replies to all the objections. The Commission has held a virtual Public Hearing on 19.02.2021 at Mangaluru. The details of the written / oral submissions made by the various stakeholders and the responses from the MESCOM thereon have been discussed in Chapter - 3 and Appendix to this Order.

2.4 Consultation with the State Advisory Committee of the Commission:

The Advisory Committee discussed the proposals of the KPTCL and all the ESCOMs in the State Advisory Committee meeting held on 19th March, 2021. During the meeting, the KPTCL and ESCOMs made brief presentations on the important issues relating to the tariff application filed before the Commission.

The Members of the Committee made valuable suggestions on the proposals. The Commission has taken note of these suggestions while passing the Order.



CHAPTER-3

PUBLIC CONSULTATION - SUGGESTIONS / OBJECTIONS & REPLIES

3.1 In order to obtain suggestions/views/objections from the interested stake-holders on the Tariff application filed by MESCOM., the Commission undertook the process of public consultation in pursuance of Section 64 of the Electricity Act, 2003. In the written submissions as well as during the public hearing some stake-holders and public have raised several objections to the Tariff Applications filed by MESCOM. The names of the persons who have filed written objections and made oral submissions are given below.

3.2 List of persons who filed written objections within due date:

Sl. No	Application No.	Name & Address of Objectors
MA-01 to MA-38		
19	MA-01	Sri. N.R. Jagadish, Hon. General Secretary, KSSIA, No. 2/106, 17 th Cross, Magadi Chord Road, Vijayanagar, Bengaluru – 560 040
20	MA-02	Sri. Ravindra Gujjara Bettu, Udupi Jilla Krushika Sangha
21	MA-03	Sri. Srinivas Bhat, Secretary, Udupi Jilla Krushika Sangha, Guruprasad Building, Behind Alankar Theater, Udupi – 576 101
22	MA-04	Sri. Nagaraja P.M, Udupi Jilla Krushika Sangha, Guruprasad Building, Behind Alankar Theater, Udupi – 576 101
23	MA-05	Sri. Prabhakara Shetty, Udupi Jilla Krushika Sangha, Guruprasad Building, Behind Alankar Theater, Udupi – 576 101
24	MA-06	Sri. M. Srinivas Ballal, Vice-President, Udupi Jilla Krushika Sangha, Guruprasad Building, Behind Alankar Theater, Udupi – 576 101
25	MA-07	Sri. Ramakrishna Sharma Bantakallu, President, Udupi Jilla Krushika Sangha, Guruprasad Building, Behind Alankar Theater, Udupi – 576 101
26	MA-08	Sri. Jnanendra, MLA Thirthahalli Constituency, Guddekoppa Village and Post, Shivmogga District – 577.414
27	MA-09	Sri. G.R. Venkatappagowda, Govinahalli Village, Unturu katte Post, Thirthahalli Taluk, Shivmogga District – 577 424
28	MA-10	Sri. Nagaraja Shetty, Sankada Hole Village and Post, Thirthahalli Taluk, Shivmogga District – 577 414
29	MA-11	Sri. Ganesh M.S, Araga village and Post, Thirthahalli Taluk, Shivmogga District – 577 414



30	MA-12	Sri. Ganga Ram, Araga gate, Gopala Gowdangara, Araga Post, Thirthahalli Taluk, Shivmogga District – 577 414
31	MA-13	Sri. K. Vittal Shetty, Mandagade Village and Post, Thirthahalli Taluk, Shivmogga District – 577 220
32	MA-14	Sri. K.N. Virendra Nayaka, Horabailu, Thirthahalli Taluk, Shivmogga District – 577 432
33	MA-15	Sri. D.M. Manudev, Devangi Village and Post, Thirthahalli Taluk, Shivmogga District – 577 415
34	MA-16	Sri. H.L. Satischandra, Hosuru, Sagara Taluk, Shivamogga District
35	MA-17	Sri. A.M. Prakasha, Goramane, , Sagara Taluk, Shivamogga District
36	MA-18	Sri. U.V. Manjunatha, Doddabale, Sagara Taluk, Shivamogga District
37	MA-19	Sri. H.M. Srikantharao, Hosuru, Sagara Taluk, Shivamogga District
38	MA-20	Sri. N. Shivananda, Kugve Post, Sagara Taluk, Shivamogga District
39	MA-21	Sri. Mohan Prakash.M, KHB Colony, 2 nd Cross, BK Road, Gandhinagar, Sagara Taluk, Shivamogga District
40	MA-22	Sri. Goplakrishna, 3 rd Cross, Srinagar, Sagara Taluk, Shivamogga District
41	MA-23	Sri.G.N. Krishnamurthy, Vinobha Nagar, Sagara Taluk, Shivamogga District
42	MA-24	Sri. U.V. Ravindra, Doddabale, Sagara Taluk, Shivamogga District
43	MA-25	Sri. A.R. Lambodara, Vinobanagar, Sagara Taluk, Shivamogga District
44	MA-26	Sri. H.V. Srikantha, JC Road, Sagar, Sagara Taluk, Shivamogga District
45	MA-27	Sri. U.V. Suguna, Doddabale, Sagara Taluk, Shivamogga District
46	MA-28	Sri. U.V. Chandrashekara, Doddabale, Sagara Taluk, Shivamogga District
47	MA-29	Sri. Raghavendra Bhagi, Srinagar, Sagara Taluk, Shivamogga District
48	MA-30	Sri. N.D. Vasanthakumar, Behind Sabhahit Building, S N Nagar, Sagar, Sagara Taluk, Shivamogga District
49	MA-31	Sri. M. Raghavendra, 3 rd Cross Main Road, SN Nagar, Sagara, Sagara Taluk, Shivamogga District
50	MA-32	Sri. A.M. Subrav, Goramane, Sagara Taluk, Shivamogga District
51	MA-33	Sri. H.S. Janardhanarao, Shanthi Nagar, 4 th Cross, Sagara, Sagara Taluk, Shivamogga District
52	MA-34	Sri. K.N. Venkatagiri Rao, Member Consumer Forum, Brasam Building Nehru Field, Sagara, Sagara Taluk, Shivamogga District 577 401
53	MA-35	Sri. U.V. Rajashekara, Doddable, Sagara Taluk, Shivamogga District



54	MA-36	Sri. Balasubramnya Bhat J, Ujire Village, Belthngadi Taluk
55	MA-37	Sri. Anil Savur D, Secretary, The Karnataka Planters' Association, Vaidyanatha Vijayam, 1/8, Artillery Road, Halasuru, Bengaluru – 560 008
56	MA-38	Sri. Sathyanarayana Udupa, Jilla Pradhana Karyadarshi, Bharathiya Kisan Sangha Karnataka Pradesh (R), Udupi Jilla Samithi, 1 st Floor, Vasuki Towers, Court Road, Udupi – 576 101
Received after due date: MA-39 to MA-41		
57	MA-39	Sri. Isaac Vas, President, Kanara Chambers of Commerce & Industry, Chambers Building, Bunder, PB No. 116, Mangaluru – 575 001
58	MA-40	Sri. Robin Jose, Joint Secretary, Kanara Industries Association, Association Building, Industrial Area, Baikambapdy, Mangaluru – 575 011
59	MA-41	The Karnataka Costal Ice, Plant and Cold Storage Owners Association, Udupi
MB-01 to MB-16		
1	MB-01	Sri. B.Venkatappa, Jayabharatha Kattada, Bijai Kavoor Road, Mangaluru - 575 004
2	MB-02	Sri. Kulshekar, Mangalore Roller Flour Mills, Mangaluru – 575 005
3	MB-03	Sri. Balachandran P, President, Light House Condominium Owners Association, Light House Hill Road, Mangaluru - 575 001
4	MB-04	Sri. Yogeesh, Global Court Flat Owners Association, Near A.J.Hospital, Kutikana, Mangaluru-575004.
5	MB-05	Sri. Suresh Kumar.G, Helrebetu, Giliyaru Village, Kota Post, Udupi Tq and District – 576 221
6	MB-06	Sri. Suryanarayana Rao, CEO, Mangalore SEZ Limited, No. 168/3A, Plot No. U-1, Administrative Building, Bajpe Village, Mangaluru – 574 142
7	MB-07	Sri. Srinivasa Bhat, Sadhana, Evratturu Post, Karkala Taluk, Udupi District
8	MB-08	Sri. S.N. Bhat, Chinnamma Nilaya, VKG Road, Odeyara hobli, Kundapura Taluk, Udupi District
9	MB-09	Sri. Vasudeva Shanubagh, Pangala, Kundapura Taluk, Udupi District – 576 122
10	MB-10	Sri. G. Astika Shastri, Bramhavara Taluk, Udupi District
11	MB-11	Sri. H. Rajeeva Shetty, Kuchhuru Village, Hetti Taluk
12	MB-12	Sri. Seetharama Ganiga, Haladi village, Kundapura Taluk, Udupi District
13	MB-13	Sri. Nveen Chandra Jain, Nitte Village, Karkala Taluk, Udupi District
14	MB-14	Sri. Sundara Shetty, Muniyalu village and Post, Karkala Taluk, Udupi District
15	MB-15	Sri.S. Ramachandra Atti, Belve Village and Post, Kundapura Taluk, Udupi District



16	MB-16	Sri. B.V. Poojari, Verduru Village and Post, Udipi Taluk and District
Received after due date: MB-17 to MB-18		
17	MB-17	Sri. Soumya Deep Das, National Institute of Advanced Studies, IISc Campus, Bengaluru – 560 012
18	MB-18	Sri. Jogendra Behera, VP (Market Design & Economists), Indian Energy Exchange Ltd.,
Received during Public Hearing on 19.02.2021		
60	PHM-01	Sri. Lakshmi Narayana, Jakribettu House, Bangwal Post, Bantwal Taluk, Dakshina Kannada District

The objections/suggestions mainly pertain to:

- a. Tariff;
- b. Quality of Power Supply and Service;
- c. Compliance of Commission's directives; and
- d. Certain specific requests.

The gist of objections, Replies by MESCOM and the Commission's Views are appended to this order in **Appendix-1**. MESCOM has not provided replies to MA-41, MB-17, MB-18 and PHM-01.

3.3 List of the persons, who were listed for oral submissions during the Public Hearing, held on 19.02.2021:

SL. No.	Names & Addresses of Objectors
1	Shri. Devdas Shettigar, Advocate, Karnataka State coastal ice plant owners Association
2	Shri. Udayakumar, President, Karnataka Coastal freezers owner Association
3	Shri. Rajendra Suvarna, President, Karnataka State coastal ice plant owners Association
4	Shri. K.N.Venkatagiri, Consumers forum, Sagara
5	Shri. B.A.Nazir, Chairman, Karnataka Chamber of Commerce & Industries-Power Sub Committee, Mangaluru
6	Shri. Abdul Rehman, Secretary, Karnataka Chamber of Commerce & Industries, Mangaluru
7	Shri. Henri Bitto, Past president, Karnataka Industries Association, Mangaluru
8	Shri. K.S.Ramanujam, MSEZ

9	Shri. Narendra Rao, Retd. Vijaya Bank Employee
10	Shri. Ramakrishna Sharma, Bantakallu, Udupi Jilla Krishik Sangha
11	Shri. Srinivasa Bhat, Kudi, Udupi Jilla Krishik Sangha
12	Shri. Satyanarayana udupa, Bharatiya Kisan Sangha, Udupi
13	Shri. Aragam Gnanendra, MLA, Thirthahalli Constituency, Guddekoppa Village and Post, Shivmogga District – 577 414
14	Shri. Ravidra Gujjarabettu
15	Shri. Srinivasa Rao.B.K., Mangaluru
16	Shri. Lakshminarayana, Bantwal
17	Shri. Arun N Padiyar, KASSIA
18	Shri. Nagaraja Shetty, Thirthahalli
19	Shri. Md. Sadiq, Addur, Mangaluru
20	Shri. Basil S Rodigar
21	Shri. Eshwarraj, President Peoples Union for Civil Liberty

Among the above the persons listed from Sl. No. 17 to 19 has not made any submissions.

3.4 The summary of the points raised during the Public Hearing is as follows:

- 1) In general, there was opposition to the Tariff hike, as there is an economic slowdown due to COVID-19, by which the small scale industries are closing down and requested the Commission not to increase the tariff.
- 2) The number of objections filed and no. of people attending the public hearing is being drastically reduced year on year, due to usual tariff hike allowed by the Commission in the recent years.
- 3) The tariff for Ice Plant and Cold Storage units are on the higher side compared with neighboring States like Kerala and Goa. In the situation wherein fisheries are on decline and 80% of the cost of these units are towards electricity bills.
- 4) Tariff has been increased during November, 2020 itself. The ice plants will be functional only during 9 months and requested for lower and separate tariff for ice plants and to provide even lower tariff for TOD. The Chairman KERC requested MESCOM to study and submit a report in respect of consumption pattern by ice plants.



- 5) As per section 61(b) of Electricity Act 2003, the generation, transmission, distribution and supply of electricity must be conducted on commercial principles.
- 6) Standards of performance is not implemented. One of the example is Jog Division.
- 7) The last time increase of Rs 40 paise per unit itself is not fair.
- 8) ESCOMS should operate as Company and not as Board/Govt. Utilities.
- 9) MESCOM staffs seeks amount for replacement of failed Transformer.
- 10) The Auto reclosure is not working in the feeders wherein RLMS is implemented and it's a waste.
- 11) Huge materials are stocked in stores,
- 12) Quality of Poles is poor.
- 13) The replacement of failed Transformer is taking minimum three days.
- 14) The no. of Electrical accidents shall be reduced and Insurance Scheme must be introduced for such cases.
- 15) There is no proper coordination between Forest Department and MESCOM.
- 16) Changing from Temporary supply to permanent connection is being delayed due to non-availability of poles.
- 17) Sensors shall be provided to street lights.
- 18) The residence of retired father's houses is billed under Commercial and requested to bill it under domestic tariff.
- 19) There is misuse of Departmental Vehicles
- 20) Linemen's will not stay in headquarters and after 4 'O clock' they are not available for attending to complaints.
- 21) Meter testing not done and meter seal is not provided.
- 22) Rs. 14 per installation is being spent on meter reading, instead smart meters may be used which will provide automatic meter reading.
- 23) Frequency variations from Solar installation needs to be studied.
- 24) The information sought on Grid supply utilized and Transmission loss was not provided under RTI.
- 25) There is delay in work execution resulting in increase in cost and non-coordination between departments.



- 26) Even with reduction in DTC loss, no profit passed on to consumers. On the other hand, increase in tariff has been sought.
- 27) Hard copies of tariff filing to the consumers must be made available as taking print out of the soft copies is burden to the consumers.
- 28) Hard copies of the Tariff Order shall be made available to the consumers.
- 29) Theft and other losses is included under IP set consumption. Hence, 100% metering of IP set to arrive at the correct picture is pleaded. A Pilot project shall be implemented.
- 30) In several locations trees are supporting lines due poor stringing of lines.
- 31) Applications are available only with contractors.
- 32) Tariff reduction for domestic category must be implemented in respect of farmers.
- 33) There shall be provision for payment also, whenever bill is issued.
- 34) Complaints during night needs to be attended.
- 35) Consumer redressal forums are not working efficiently.
- 36) Low voltage problems.
- 37) Demand Side Management (DSM) methods must be encouraged.
- 38) Importance of water must be made known to public.
- 39) MESCOM has carried out good work during COVID-19.
- 40) There is necessity of reduction in deposits to be paid for connections.
- 41) Standards of performance needs improvement.
- 42) Time of the Day tariff's must be reduced.
- 43) There is need of separate Technical and Commercial divisions for better efficient work.
- 44) The free supply to commercial crops must be stopped.
- 45) The families using pump sets of more than 10 H.P. shall be billed.
- 46) For the hospitals other than those coming under Government/Charitable trusts, commercial tariff must be applied.
- 47) MESCOM staffs working more than 3 years in the same place, shall be transferred.
- 48) The MESCOM is not utilizing the grants from the Central Government for improvement works.



49) The MESCOM is not insisting Five star rated Transformers as per the Central Government directions, instead Transformers which were not recognized/approved by Bureau of Energy Efficiency are being used.

50) MESCOM is utilizing public amount in construction of office buildings like big malls.

51) MESCOM staff should work honestly by reducing the losses and complaints.

MESCOM Response:

The MD MESCOM stated that the replies to most of the issues raised in the public hearing have been covered in the written replies. The other issues not covered earlier would be looked into and remedial action taken.

Commission's Views:

The Commission directed MESCOM to look into the unresolved issues and attend to them on priority.



CHAPTER – 4**ANNUAL PERFORMANCE REVIEW FOR FY20****4.0 MESCOM's Application for APR for FY20:**

The MESCOM vide its application dated 30.11.2020 has filed for Annual Performance Review (APR) of FY20 based on the Audited Accounts and revision of the Annual Revenue Requirement (ARR) along with revision of retail supply tariff for FY22 for the approval of the Commission.

The Commission vide its letter dated 14th December, 2020 had communicated its preliminary observations on the application of the MESCOM. MESCOM has furnished its replies to the preliminary observations of the Commission on 28th December, 2020,

The Commission, in its Tariff Order dated 30th May, 2019, had approved an Annual Revenue Requirement (ARR) of Rs.3603.24 Crores along with the revision of retail supply tariff for FY20.

The Annual Performance Review (APR) of the MESCOM for FY20, based on the Audited accounts, is discussed in this Chapter.

4.1 MESCOM's Submission:

The MESCOM has submitted its proposals for Annual Performance Review of FY20, based on the Audited Accounts, as detailed below:

TABLE – 4.1**APR for FY20 – MESCOM's Submission**

Sl. No	Particulars	Amount in Rs. Crores	
		As approved in T.O. dated 30.05.2019	As Filed
1	Energy at the Generation Bus – in MU	5912.84	6154.66
2	Transmission Losses - in %	3.162%	5.19%
3	Energy at Interface - in MU	5674.74	5835.03
4	Distribution Losses in %	11.00%	10.07%
	Sales in MU:		
5	Sales to other than IP sets & BJ/KJ	3347.15	3483.59

Sl. No	Particulars	As approved in T.O. dated 30.05.2019	As Filed
6	Sales to BJ/KJ	34.21	34.65
7	Sales to IP sets	1669.16	1728.92
	Total Sales (MU)	5050.52	5247.16
	Revenue at existing tariff in Rs. Crores		
8	Revenue from tariff and Misc. Charges	2659.11	2769.53
9	RE Subsidy to BJ/KJ	24.42	27.79
10	RE Subsidy to IP SETS	919.71	959.09
	Total Existing Revenue	3603.24	3756.41
	Expenditure in Rs. Crores		
11	Power Purchase Cost	2347.11	2572.68
12	Transmission charges of KPTCL	259.00	259.00
13	SLDC Charges	1.41	1.41
14	Total Power Purchase Cost	2607.52	2833.09
15	Employee Cost	595.62	493.34
16	Repairs & Maintenance		67.33
17	Administration & General Expenses		123.59
18	Total O&M Expenses	595.62	684.26
19	Depreciation	122.99	166.65
20	Interest & Finance charges		
21	Interest on Loans	101.38	84.96
22	Interest on Working capital	71.23	52.45
23	Interest on belated payment on PP Cost	0.00	0.00
24	Interest on consumer deposits	42.34	39.85
25	Other Interest & Finance charges	1.10	1.08
26	Less: interest and other expenditure capitalized	-6.00	0.00
27	Total Interest & Finance charges	210.04	178.34
28	Other Debits/Extraordinary items	0.00	13.99
29	Net Prior Period Expenses/Income (Debit/Credit)	0.00	0.00
30	Return on Equity	122.20	112.51
31	Taxation/MAT Credit	0.00	0.03
32	Funds towards Consumer Relations/Consumer Education	0.50	0.35
33	Other Income	-83.86	-72.71
34	Net ARR	3575.01	3916.51
35	Deficit of FY18 Carried forward	28.22	0.00
	ARR	3603.24	3916.51

Considering the revenue of Rs.3756.41 Crores against net ARR of Rs.3916.51 Crores, MESCOM has reported a revenue gap of Rs.160.10 Crores for FY20.

4.2 MESCOM's Financial Performance as per the Audited Accounts for FY20:

An overview of the financial performance of MESCOM for FY20, as per its Audited Accounts is indicated in the following Table:

TABLE – 4.2
Financial Performance of MESCOM for FY20

Amount in Rs. Crores		
Sl. No.	Particulars	FY20
	Receipts	
1	Revenue from Tariff and misc. charges	3716.54
2	Other income	119.35
	Total Revenue	3835.89
	Expenditure	
3	Power Purchase Cost	2322.4251
4	Transmission charges of KPTCL, PGCIL & TNEB	480.01
5	SLDC & DSM(UI) Charges	0.80
	Power Purchase Cost including transmission charges	2803.24
7	Employee Cost & Benefit & Expenses	493.34
8	Finance Cost	112.80
9	Depreciation	166.75
10	R & M & Other Expenses	245.11
11	Current Tax	10.9977
12	MAT Credit Entitlement	-10.9632
13	Exceptional Items	0
	Total Expenses	3821.27
	Net Profit	14.62
14	Net movement of Regulatory deferred amount	28.95
	Total Comprehensive Income	43.57

As per the Audited Accounts, MESCOM has indicated a net profit of Rs.43.57 Crores, which includes an amount of Rs.28.95 Crores towards Net movement of Regulatory Asset for FY20. The profit / loss reported by MESCOM in its audited accounts in the previous years are as follows:

TABLE – 4.3
MESCOM's Accumulated Profit

Particulars	Amount in Rs. Crores
Restated Balance at the beginning of FY20	187.82
Profit for FY20	43.57
Accumulated Balance of profit as at the end of FY20	231.39

As seen from the above table, the accumulated Retained Earnings as at the end of FY20 is Rs.231.39 Crores.

Commission's analysis and decision on APR for FY20:

The Commission has taken up the Annual Performance Review for FY20, in accordance with the provisions of the MYT Regulations, duly considering the actual revenue and expenditure booked as per the Audited Accounts against the revenue and expenditure approved by the Commission in its Tariff Order dated 30th May, 2019. The item-wise review of the revenue received and the expenditure incurred along with the decisions of the Commission thereon are as discussed in the following paragraphs:

4.2.1 Sales for FY20:

A. Sales-Other than IP sets

- a. The Commission in its Tariff Order 2019, dated 30.05.2019, had approved total sales to various consumer categories at 5050.52 MU, as against the MESCOM's proposal of 5095.32 MU, excluding the sales of 51.13 MU to MSEZ. The Actual sales of MESCOM, as per the current APR filing [D-2 FORMAT], is 5190.28 MU excluding 56.88 MU sales to MSEZ indicating an increase in sales to an extent of 139.76 MU, as compared with the approved sales. There is increase in sales of 90.69 MU in LT-categories and 49.07 MU in HT-categories.
- b. The category-wise sales approved by Commission and the actuals for FY20 are indicated in the table below:

TABLE – 4.4

Category wise Sales Approved Vs Actuals for FY20

Category	Energy In MU		
	Approved Energy in MU	Actuals Energy in MU	Difference (MU) Col-4= Col 3 - Col 2
Col-1	Col-2	Col-3	
LT-2a*	1449.29	1482.36	33.07
LT-2b	15.18	14.86	-0.32
LT-3	390.69	393.82	3.13
LT-4b	0.93	0.88	-0.05
LT-4c	8.81	8.08	-0.73
LT-5	141.13	136.88	-4.25

LT-6	126.06	131.97	5.91
LT-6	72.34	66.47	-5.87
LT-7	20.41	20.01	-0.40
HT-1	99.38	95.71	-3.67
HT-2a	606.33	635.20	28.87
HT-2b	207.21	205.72	-1.49
HT-2c	138.74	139.87	1.13
HT-3a & b	43.10	69.68	26.58
HT-4	21.59	21.80	0.21
HT-5	5.96	3.40	-2.56
Sub total	3347.15	3426.71	79.56
BJ/KJ	34.21	34.65	0.44
IP	1669.16	1728.92	59.76
Sub total	1703.37	1763.57	60.20
Grand total**	5050.52	5190.28	139.76

*Including BJ/KJ installations consuming more than 40 units/month & KPCL sales

**Excludes sale to SEZ.

The Commission's observation on energy sales for FY20, replies of MESCOM and the Commission's view thereon are discussed in the following paragraphs:

- (i) The Commission had noted that the major categories contributing to the increase in sales with respect to the estimate are LT-2a, LT-4a, HT-2a & HT-3 categories. The IP set consumption is discussed separately, in the subsequent paragraphs.

MESCOM was directed to analyze the reasons for the increase in sales to the above categories.

MESCOM, furnishing details, has attributed the increase in sales in LT-2a category to the increase in number of installations, stating that specific consumption in the last five years has remained in the range of 73 - 77 units per month.

MESCOM has attributed the increase in sales in HT-2a category to the increase in load. The Commission notes that, MESCOM has not furnished any details about the quantum of increase in load, to substantiate the above.

MESCOM has attributed the increase in sales in HT-3 category to servicing of one major installation at Kadur with load of 66048 HP, which is noted by the Commission.

- (ii) MESCOM in its D-2 Format of the filing, had not indicated any wheeled energy for FY20 as per the actuals. MESCOM was directed to furnish the details.

MESCOM in its replies has informed that the energy wheeled during FY20 is 331.15 MU and under Open Access is 76.94 MU, which is noted by the Commission.

B. Sales to IP sets – APR for FY20:

- i. In its Tariff Order dated 30th May, 2019, the Commission had approved a specific consumption of IP-sets as 5,082.10 units / installation / annum for FY20. Whereas, as per the data of IP-set consumption submitted by the MESCOM, in its Tariff filing for APR of FY20, the specific consumption works out to 5,156 units / installation / annum. This shows an increase in the specific consumption by 73.9 (5156 – 5082.10) units / installation / annum, as compared with the approved figures. This actually corresponds to an increase by 1.45%.
- ii. The total IP-set consumption reported by the MESCOM for the FY20 in the prescribed formats of the Commission, for assessment of sales to IP sets, vide e-mail dated 09.12.2020 is 1,728.92 MU. Whereas, the Commission had approved 1,669.16 MU for FY20, in its Order dated 30th May, 2019. Thus, there is an increase of overall sales by 59.76 (1728.92 – 1669.16) MU which corresponds to 3.58 per cent increase in percentage terms.
- iii. Further, the Commission had approved 3,35,901 as the number of IP-set installations for FY20; whereas the actual number of installations existing as reported by the MESCOM, in its Tariff filing is 3,44,482. This indicates an increase in number of installations by 8,581 (344482 – 335901) and this



corresponds to 2.55 per cent increase in the number of installations as compared to number of installations approved for the FY20.

The details of sales to IP sets for FY20, as approved by the Commission, in its tariff order 2019 and as furnished by MESCOM, in its current Tariff Filing, are as indicated below (FY20 approved Vs Actuals);

Particulars	As approved by the Commission	Actuals as submitted by MESCOM
Number of installations	3,35,901	3,44,482
Mid-year number of installations	3,28,439	3,35,334
Specific consumption in units / installation / annum in units	5,082.10	5,156
Sales in MU	1,669.16	1,728.92

- iv. The Commission, in the APR for FY19, vide its tariff order 2020 has approved the total sales to IP sets as 1,477.50 MU with a specific consumption of 4,674 unit per IP set per annum for FY19 by disallowing 153.40 MU against the claims submitted by MESCOM. It is observed that, there is an increase in sales by 251.42 MU [1,728.32 (FY20) – 1,477.50 (FY19)] corresponding to 17% and an increase in the specific consumption by 482 (5156-4674) units per IP set per annum corresponding to 10.31% for FY20 as compared to FY19 actuals – approved.
- v. The Commission in its preliminary observations had directed MESCOM to furnish the data of number of IP installations as per GPS survey as compared to the number of IP installations in DCB as on 31.03.2020. In its reply, MESCOM has submitted that the number of IP installations identified in GPS survey is more (authorized and unauthorized) than the number of installations in the DCB. MESCOM has not furnished the information of IP set installations as per GPS survey as desired by the Commission.
- vi. The Commission, in its previous Tariff Orders had directed MESCOM to furnish the number of IP installations as per GPS survey and the IP set assessment data submitted, action taken to reconcile the number of IP installations with the DCB figures. In its reply, MESCOM made submissions

that, the directions have been issued to the jurisdictional Executive Engineers to complete the survey of the newly serviced IP installations through their Sub divisional level Officers.

- vii. The GPS survey data furnished by MESCOM is ambiguous and not acceptable. **The Commission notes with displeasure that, MESCOM** has not taken any stringent action to complete the work and submit the stable data. MESCOM, has failed to report the precise details of actual number of IP installations existing in the field, working IP sets, permanently disconnected IP sets, in respect of both the authorized and unauthorized categories, action taken to regularize the unauthorized IP sets etc., and the action taken to reconcile the data of the GPS survey with the DCB figures. **The Commission hereby finally directs MESCOM to complete the survey at the earliest and submit the details without any ambiguity in the data of total number of IP sets existing, defunct / dried up etc., within 3 months from the date of this Order. If the data is not received in time, the Commission would restrict the sales to IP sets for FY21, on the data of GPS survey received during the Tariff Filing for APR FY20 and ARR FY22 and would pass the order thereon.**
- viii. In the preliminary observations, the Commission has directed MESCOM to furnish the status of segregation the agricultural feeders to assess the sales to IP set installations based on the energy meter readings provided to such agricultural feeders. The Commission notes with displeasure that, the replies furnished by MESCOM is not satisfactory and simply mentions that it has taken up the bifurcation of agricultural feeders in its area. MESCOM has not even furnished any stringent action plan for completing the work.
- ix. The Commission, in its previous Tariff Orders, had directed MESCOM to submit the monthly IP-set consumption by considering the meter readings of individual IP-set installations which were said to be metered. MESCOM was also directed not to assess the IP-set consumption as per the meter readings of sample DTCs feeding predominantly IP-set loads.

MESCOM has not completed the bifurcation of agricultural feeders under NJY scheme or any other schemes. However, the MESCOM, in its Tariff application, did not submit the IP-set data based neither on the meter readings of individual IP sets nor based on the consumption recorded in energy meters provided to the bifurcated agriculture feeders. Instead, MESCOM had submitted the abstracts of the IP- sets' consumption, based on the energy meter readings of sample DTCs supplying power predominantly to IP installations.

- x. Based on the above discussions, even though the average consumption recorded in few of the predominant DTCs are higher than the average, since the sub-division average considered is found to be in acceptable range, and on detailed verification of the data, it is noted that the overall sales of 1,728.92 MU as submitted by MESCOM for FY20 in its Tariff application is acceptable. Therefore, the Commission hereby considers the IP set consumption of 1,728.92 MU for FY20.

Hence, the Commission decides to allow the consumption of 1,728.92 MU claimed by the MESCOM in its tariff filing for FY20 with the details as follows;

Particulars	Approved sales of IP sets for FY20
Number of installations	3,44,482
Mid-year number of installations	3,35,334
Specific consumption in units / installation / annum	5,156
Sales in MU	1,728.92

In the light of the above discussions, the Commission hereby approves energy sales for FY20 as indicated in the following table, including sales of 2.74 MU to KPCL and excluding wheeled energy and sales to MSEZ:

Category wise Sales Approved for FY20 as APR

Category Col-1	Sales approved as per APR in MU Col-3
LT-2a*	1482.36
LT-2b	14.86
LT-3	393.82

LT-4b	0.88
LT-4c	8.08
LT-5	136.88
LT-6	131.97
LT-6	66.47
LT-7	20.01
HT-1	95.71
HT-2a	635.20
HT-2b	205.72
HT-2c	139.87
HT-3a & b	69.68
HT-4	21.80
HT-5	3.40
Sub total	3426.71
BJ/KJ	34.65
IP	1728.92
Sub total	1763.57
Grand total**	5190.28

*Including BJ/KJ installations consuming more than 40 units/month & KPCL sales

**Excludes sale to SEZ.

In addition to the above, sales to MSEZ at the interface point of 56.88 MU is also approved. Thus, the total sales approved including sales to MSEZ for FY20 is 5247.16 MU.

4.2.2 Power Purchase for FY20:

MESCOM's Submission:

The Commission in its Tariff Order dated 30th May 2019, had approved power purchase quantum of 5912.83 MU for MESCOM, indicating source-wise quantum and cost of power purchase for FY20. MESCOM, in its application has submitted the details of actual power purchase for FY20 vis-à-vis the approved figures, for the purpose of Annual Performance Review as under:

TABLE - 4.5
Power Purchase for FY20-Approved and Actuals

Source of Generation	Approved for 2019-20			Actuals as per filing			Difference			% increase (+)/decrease (-) over approved figures	
	Energy in MU	Amount in Cr	Avg cost in Rs/kWh	Energy in MU	Amount in Cr	Avg cost in Rs/kWh	Energy in MU	Amount in Cr	Avg cost in Rs/kWh	Energy in MU	Amount in Crs.
KPCL Hydel Stations	1372.10	128.93	0.94	1789.73	147.37	0.82	417.63	18.44	-0.12	30.44	14.30
KPCL-Thermal Stations	1142.34	655.32	5.74	896.17	526.93	5.88	246.17	-128.39	0.14	-21.55	-19.59
CGS	1849.33	711.66	3.85	1667.98	781.08	4.68	181.35	69.42	0.83	-9.81	9.75
Major IPPs	329.08	202.76	6.16	222.53	173.50	7.80	106.55	-29.26	1.64	-32.38	-14.43
Minor IPPs(RE Projects)	1211.66	499.94	4.13	1464.27	623.17	4.26	252.61	123.23	0.13	20.85	24.65
Other State Hydro Projects	8.32	4.61	5.54	14.47	4.92	3.40	6.15	0.31	-2.14	73.92	6.72
Transmission Charges (KPTCL/PGCIL)	0.00	402.68		0.00	481.03		0.00	78.35	0.00		19.46
SLDC charges	0.00	1.41		0.00	1.41		0.00	0.00	0.00		0.00
Posoco-Tangedco-Reactive Energy-Banked Charges & PCKL Rev	0.00	0.21		0.00	-0.79		0.00	-1.00	0.00		-476.19
ENERGY Balancing				204.20	95.74	4.69	204.20	95.74	4.69		
open access/UI	0.00	0.00		-3.81	1.65	-4.33	-3.81	1.65	-4.33		
IEX	0.00	0.00		-125.17	-32.77	2.62	125.17	-32.77	2.62		
Total	5912.83	2607.52	4.41	6130.37	2803.24	4.57	217.54	195.72	0.16	3.68	7.51

Commission's analysis and decisions:

1. Approved and Actual quantum & Cost of energy for FY20:

- a. The actual power purchase for FY20, as per annual accounts submitted by MESCOM is **6130.37 MU** purchased at a cost of Rs.**2803.24** Crores, as against the approved quantum of **5912.83** MU at a cost of Rs.**2607.52** Crores. This indicates that there is an increase in the quantum of power purchased to an extent of **217.54 MU** and there is an increase in the cost by Rs.**195.72** Crores over and above the approved cost.
- b. On an analysis of the source-wise approved and actual power purchases, it is observed that, there are deviations in the quantum of energy purchased and cost thereon. There is increase in the supply from Renewal

energy sources of power and from energy supplied by the State Owned Hydel projects and other hydro projects. Whereas, there is decrease in the supply from the State owned Thermal Power Plants, Central Generating Thermal Power Stations as well as Major Thermal IPPs as indicated below:

Source of Generation	Approved Energy for 2019-20 in MU	Actual Energy for 2019-20 in MU	Excess/ Shortfall (-) Energy in MU
KPCL Hydel Stations	1372.10	1789.73	417.63
KPCL-Thermal Stations	1142.34	896.17	-246.17
CGS	1849.33	1667.98	-181.35
Major IPPs	329.08	222.53	-106.55
Minor IPPs(RE Projects)	1211.66	1464.27	252.61
Other State Hydro Projects	8.32	14.47	6.15

- c. The Commission notes that the deviations in drawal of energy as well as incurring the cost (vis-à-vis the approved quantum and costs), are due to increase in supply of energy from the Renewable Energy Sources which has resulted in Backing down of Thermal Power Stations, but at the same time making payment of fixed cost even though no energy was purchased from these thermal stations. This is evident from MESCOM submission that, regarding per unit cost of Rs.9.86 / unit in respect of BTPS-1 generation unit, where there was no generation (Reserve Shut Down) in the months from Jul-2019 to Dec-2019 and Mar-2020. Added to this, the PGCIL charges have increased by 53.28% over the previous year. This has resulted in increase in per unit cost from Rs.4.41 Per unit (Approved) to Rs.4.57 per unit, as per actuals.

2. Sale of surplus energy

MESCOM as per the filing has sold surplus energy of 125.17 MU through IEX at the rate of Rs.2.62 per unit. However, in the month wise break up details submitted in reply to the preliminary observations of the Commission, the surplus energy sold is indicated as 115.29 MU for FY20. On enquiry, MESCOM has submitted that the difference 9.87 MU is towards energy traded to Goa through APPCPL during 2019-20.

The energy transactions under UI is to an extent of 3.81 MU. It is noted that the cost resulting from UI has been added to the total power purchase cost. As per the analysis done by the Commission in the similar situation in other ESCOM, Commission notes that the reason behind is that, Karnataka is RE Rich State and permitted to under draw up to 250 MW only. Due to not changing the sign after 6th time block and under drawal beyond 250 MW, the additional charges and penalty is payable though State had under drawn. The total under drawn energy beyond the limits specified during the year is 3.81 MU and charges paid thereon is Rs 1.65 Crore.

The Commission would like to point out that MESCOM has not provided the breakup of merit order despatch indicating details which are necessary to understand as to whether the resulting sale of 125.17 MU at Rs.2.62 per unit through IEX is profitable to MESCOM or otherwise. Though this has been emphasized on several occasions, MESCOM is not keeping a track on the implementation of merit order despatch. Further MESCOM has stated that it has made a payment of Rs.299.97 Crores towards capacity charges due to backed down/ un-utilized power. According to MESCOM, it has backed down energy to an extent of 2683.67 MU during FY20.

3. Purchase of Energy from RE Sources:

The Commission also notes that the actual energy purchased from Renewable Energy sources has increased by 20.85%. This shows lack of proper forecasting the generation from renewable energy, though the Commission has issued necessary Regulations in this regard. The REMC, situated at the SLDC needs to focus on this issue and ensure proper implementation of the Regulations issued by the Commission.

4. PGCIL Charges:

The Commission also notes that the actual PGCIL Charges have increased by around 53.28%, for FY20. This has been increasing year after year which is resulting in huge burden on the end consumers and MESCOM was directed to furnish month-wise analysis along with the explanation for such a raise in the charges. MESCOM has submitted that as per the Bakshi

Committee report and other relevant factors, Hon'ble CERC has notified the CERC (Sharing of Inter State Transmission charges & Losses) Regulations, 2020 on 04-05-2020. This regulation has been given effect from 01-11-2020. The financial implication will be known in the bill for the month of Jan-2021.

The Commission has been insisting on setting up a dedicated team to study the pros & cons of the mechanism proposed in the above Regulations. However, BESCO/ SLDC has not taken necessary action in this regard and as a result of which, ESCOMs were made to incur huge costs towards PGCIL Transmission charges.

In the circumstances explained above and in view of fact that the power purchase is un-controllable cost as per MYT Regulations, the Commission hereby decides to approve the actual power purchases of Rs.2803.24 Crores towards purchase of 6130.37 MU for FY20.

4.2.3 RPO Compliance for FY20:

MESCOM at page-71 has submitted the RPO compliance as per data furnished by SLDC. It is noted that the target percentage for solar is indicated as 7.50%, whereas as per the Regulations it is 7.25%. Therefore, the Commission has considered 7.25% as the target solar RPO for FY20.

MESCOM has submitted that the power purchase quantum excluding hydro is indicated as 4212.63 [6154.66 MU -1789.73 MU of KPCL hydro -14.47 MU of other hydro -137.83 MU of energy balancing]. The Commission notes that Shimsha power station having capacity of 17.20 MW is treated as Mini-Hydel source. Therefore, the actual KPCL hydro net off Shimsha will be 1782.30 MU [1789.73-7.43]. Hence, the power purchase quantum net of total hydro works out to 4220.06 MU.

As per D-1 format, the non-solar RE purchased is as follows:

Generation	MU
Shimsha Mini-Hydel	7.43
Mini-Hydel	336.49
Wind	268.32
Co-Generation Medium Term	134.75
Total- Non-solar	746.99

Similarly, as per D-1 format, the solar energy purchased is as follows:

Generation	MU
NTPC bundled-Pavagada	101.73
NTPC-VVNL bundled	8.81
PPA	614.03
Total-solar	724.57

Accordingly, MESCOM was directed to furnish the revised RPO compliance data for FY20 in the specified format. MESCOM has submitted the following details:

TABLE – 4.6
Non-Solar RPO - Compliance

No.	Particulars	Quantum in MU	Cost- Rs. Crs.
1	Total Power Purchase quantum from all sources excluding Hydro energy	4220.06	2756.80
2	Non-solar Renewable energy purchased under PPA route at Generic tariff including Non-solar RE purchased from KPCL	745.93	280.78
3	Non-solar Short-Term purchase from RE sources, excluding sec-11 purchase		
4	Non-solar Short-Term purchase from RE sources under sec-11		
5	Non-solar RE purchased at APPC		
6	Non-solar RE pertaining to green energy sold to consumers under green tariff		
7	Non-solar RE purchased from other ESCOMs		
8	Non-solar RE sold to other ESCOMs		
9	Non-solar RE purchased from any other source like banked energy purchased at 85% of Generic tariff	1.06	0.21
10	Total Non-Solar RE Energy Purchased [No 2+ No.3+No.4+No.5 +No.7+No.9]	746.99	280.99
11	Non-Solar RE accounted for the purpose of RPO [No.10- No.5-No.6-No.8]	746.99	280.99
12	Non-solar RPO complied in % [No11/No1]*100	17.70	

TABLE – 4.7
Solar RPO Compliance

No.	Particulars	Quantum in MU	Cost- Rs. Crs.
1	Total Power Purchase quantum from all sources excluding Hydro energy	4220.06	2756.80
2	Solar energy purchased under PPA route at Generic tariff including solar energy purchased from KPCL *	613.65	284.08
3	Solar energy purchased under Short-Term, excluding sec-11 purchase		
4	Solar Short-Term purchase from RE under sec-11		
5	Solar energy purchased under APPC		
6	Solar energy pertaining to green energy sold to consumers under green tariff		
7	Solar energy purchased from other ESCOMs		
8	Solar energy sold to other ESCOMs		
9	Solar energy purchased from NTPC (or others) as bundled power*	110.54	58.81
10	Solar energy purchased from any other source like banked energy purchased at 85% of Generic tariff	0.38	0.10
11	Total Solar Energy Purchased	724.57	342.99

	[No.2+ No.3+No.4+No.5+No.7+No.9+No.10]		
12	Solar energy accounted for the purpose of RPO [No.11- No.5-No.6-No.8]	724.57	342.99
13	Solar RPO complied in % [No.12/No.1]/100	17.17	

*Breakup as per D-1 format

Commission's analysis and decision

The Commission has approved the source-wise power purchase quantum and cost as discussed earlier. Therefore, for the purpose of RPO compliance the Commission has considered the power purchase quantum as per the APR for FY20. As per the revised D-1 format submitted vide letter dated 13.01.2021, the Commission has approved power purchase quantum 4172.73 MU [6130.37 MU -1789.73 MU of KPCL hydro -14.47 MU of other hydro -153.44 MU of energy balancing]., excluding procurement from hydro sources, based on the audited accounts. The details of Non-solar energy procured is indicated below:

Energy in Million Units	
Generation	MU
Shimsha Mini-Hydel	7.43
Mini-Hydel	336.49
Wind	268.32
Co-Generation Medium Term	134.75
Total- Non-solar	746.99

* Banked energy of 1.06 MU included in wind & Mini-hydel

Note: Details as per D-1 format submitted vide letter dated 13.01.2021

Regarding the Non-Solar RPO, considering the input energy (excluding procurement from hydro sources) of 4172.73 MU, the Non-solar RPO target at 13.00% works out to 542.455 MU (542455 MWh after rounding off). MESCOM has purchased 746.990 MU (746990 MWh) of Non-solar energy. Thus, MESCOM has purchased 204.535 MU (204535 MWh) excess non-solar energy beyond the target specified. The Commission holds that MESCOM has met its Non-Solar RPO target of 13% for FY20, in terms of the prevailing Regulations.

As regards the Solar RPO, the details of solar energy purchased is as indicated below:

Energy in Million Units	
Generation	MU
NTPC bundled-Pavagada	101.73
NTPC-VVNL bundled	8.95
PPA*	614.03
Total-solar	724.71

*Includes banked energy of 0.38MU

Note: Details as per D-1 format submitted vide letter dated 13.01.2021

Considering the input energy (excluding procurement from hydro sources) of 4172.73 MU, the Non-solar RPO target at 7.25% works out to 302.523 MU (302523 MWh after rounding off). MESCOM has purchased 724.71 MU (724710 MWh) of Solar energy. Thus, MESCOM has purchased 422.187 MU (422187 MWh) excess Solar energy beyond the specified target. The Commission holds that MESCOM has met its Solar RPO target of 7.25% for FY20, in terms of the prevailing Regulations.

4.2.4 Distribution Loss for FY20

MESCOM's Submission:

The Commission in its Tariff Order dated 30th May 2019 had approved distribution loss for FY20 as shown in the table below:

Range	FY20
Upper limit	11.25
Average	11.00
Lower Limit	10.75

MESCOM, in its filing as per its audited accounts, has reported the distribution loss of 10.07% for FY20 as follows:

1	Energy at Interface Points in MU	5835.03
2	Total sales in MU	5247.16
3	Distribution losses as a percentage of input energy at IF points	10.07%

Commission's analysis and decisions:

The Commission in its preliminary observations had directed MESCOM to confirm whether the distribution loss of 10.07% for FY20 includes the Open Access and Wheeled Energy and to submit the total quantum of Open Access and wheeled energy allowed/handled in MESCOM distribution network, for FY20. MESCOM in its reply to the preliminary observation has submitted that, the actual distribution loss of 10.07% for FY20 does not include the energy handled in respect of open access and wheeling transactions and has

furnished the quantum of energy handled in respect of open access and wheeling transactions in FY20 is 76.94 MU and 331.15 MU, respectively.

The Commission notes that as per the division-wise losses furnished for FY21 upto November -2020, the actual distribution losses in some of the divisions are ranging from 12% to 19%, which is substantially higher than the MESCOM's average loss of 10.07% for FY20. Hence, there is scope to reduce losses further in these divisions and therefore, **MESCOM shall draw an action plan to reduce losses in these divisions. The Commission reiterates its direction to MESCOM to put forth continuous efforts to reduce the losses in these divisions.**

The Commission further notes that, MESCOM's distribution loss of 10.07% is arrived at without considering the open access and wheeled energy for FY20. MESCOM, while computing the distribution loss, has reckoned 56.88 MU of the energy sold to MSEZ at IF points as reported by MSEZ and as approved by the Commission for FY20 in the truing up exercise.

The Commission, for the purpose of Annual Performance Review, has considered the actual distribution loss as per the audited accounts at 10.07% for FY20 which is below the targeted lower limit of loss fixed by the Commission by 0.68%, and a reduction of a 0.45% over FY19.

Thus, as per the MYT Regulations, MESCOM is entitled to incentive for achieving better performance of distribution losses reduction during FY20, is as under.

TABLE – 4.8
Incentive for reduction in Distribution Losses

Particulars	FY20
Actual input at IF points as per audited accounts in MU	5835.03
Retail sales in MU	5247.16
Percentage of actual Distribution losses	10.07%
Approved targeted distribution loss	11.00%
Target upper limit of distribution loss	11.25%
Target Lower limit of distribution loss	10.75%
Decrease in percentage loss	0.68%
Input energy at target loss for actual sales in MU	5879.19
Savings in input due to decrease in distribution losses in MU	44.141
Average cost of power purchase	4.572
Savings in power purchase cost due to reduction in losses in Rs. Crores	20.18

50% savings to be included in the APR for FY20, balance 50% being the share of consumers in Rs. In Crores.	10.09
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Thus, the Commission as per the MYT Regulations, decides to allow an incentive of Rs.10.09 Crores for better performance in achieving the distribution losses and included in the revised ARR under APR for FY20.

4.2.5 Capital Expenditure for FY20:

A. Annual Performance Review for FY20:

The MESCOM, in its application for APR, has indicated the capital expenditure of **Rs.501.61 Crores** for FY20 as against the Commission approved capex of **Rs.818.58 Crores** for the FY20. The MESCOM has furnished the breakup of category-wise capital expenditure of **Rs.501.61 Crores** for FY20 as shown below:

TABLE – 4.9
Capital expenditure of the MESCOM for FY20

Sl. No.	Particulars	Appd. in TO-2019 in Rs.Crores	Expenditure relating to Work Orders sanctioned during FY-20 in Rs.Crs.	Expenditure relating to Work Orders sanctioned during previous years in Rs.Crs	Total capital expenditure incurred for FY20 in Rs.Crs.	% of Budget utilized
1	E&I Works (Addl. Transformers, Link-Lines, HT/LT Reconductoring)	818.58	24.48	64.57	89.05	61.27%
2	DTC Metering		-	2.85	2.85	
3	Replacement of MNR / DC & Electromagnetic meters by Static meters and providing SMC meter protection box wherever required.		1.69	0.38	2.07	
4	Replacement of faulty DTCs		3.51	1.27	4.78	
5	Service Connections		14.73	8.57	23.3	
6	Rural Electrification (General)					
a.	Electrification of Hamlets		-	0.01	0.01	
b.	Energization of IP sets (including Ganga Kalyana)		23.22	21.51	44.73	
c.	Kutir Jyothi		-	0.01	0.01	

7	<u>Tribal Sub Plan</u>					
a.	Electrification of Tribal Colonies		0.14	0.04	0.18	
b.	Energization of IP Sets		0.31	0.12	0.43	
c.	Kutir Jyothi		-	-	-	
8	<u>Special Component Plan</u>					
a.	Electrification of S.C. Colonies		0.62	1.1	1.72	
b.	Energization of IP sets		0.98	0.44	1.42	
c.	Kutir Jyothi		-	-	-	
9	Tools & Plants and Computers		4.44	-	4.44	
10	Civil Engineering Works		4.72	30.82	35.54	
11	33 kV Sub stations & Line works		0.37	12.54	12.91	
12	<u>Schemes</u>					
a.	DDUGJY		53.36	84.1	137.46	
b.	IPDS		24.5	21.51	46.01	
c.	Providing infrastructure to regularized UIPs.		0.16	51.95	52.11	
d.	Improvement works for Model Electricity Village		-	-	-	
13	Solar Rooftop on MESCOM / Govt. Buildings		1.17	2.91	4.08	
14	Improvement works Model Sub Divisions		31.56	-	31.56	
15	SAUBHAGYA		6.95	-	6.95	
	GRAND TOTAL:	818.58	196.91	304.7	501.61	61.27%

Commission's Analysis and Decision:

The Commission in its Tariff Order 2019, had approved the capex of Rs.818.58 Crores for MESCOM for FY20. In the present filing, the MESCOM has indicated the provisional capital expenditure of Rs.501.61 Crores, which also includes Rs.196.91 Crores being the expenditure relating to work orders sanctioned during FY20 and Rs.304.7 Crores towards the expenditure relating to Work orders sanctioned during previous years. (spill over works).

The Commission in its preliminary observations has directed MESCOM to submit the compliance on the following:



- i. the comparison of capital expenditure incurred with reference to the amounts spent on different category of capex approved by the Commission for FY20, in the format approved by the Commission in the Tariff order 2019.
- ii. break up details for actual capex incurred during FY20.
- iii. work-wise details covered under E&I works for having incurred the actual Capex of Rs.89.05 Crores for FY20.
- iv. division-wise details of no. of Pump sets energized under Ganga Kalyana Schemes and SCP/TSP schemes, amount spent, amount of capital grants received from the Government of Karnataka and the balance amount to be received from the Government of Karnataka and the action taken thereon.
- v. sources of funding for each of the category of works during FY20.
- vi. capacity-wise details of replacement of failed transformers with new transformers and its cost against Capex incurred for Rs.4.78 Crores for FY20.
- vii. list and number of works sanctioned, Completed, balance number of works to be taken up, details of source of funding for capex incurred for Rs.31.56 Crores under Model sub division works for FY20 and up to November 2020 and **the details of cost benefit analysis/ evaluation of the benefits of the completed works as compared to the envisaged benefits with reference to the DPRs/ Estimates.**
- viii. total number of BPL beneficiaries serviced under DDUGVY and IPDS Schemes, the target date of completion of the projects sanctioned, amount spent, amount of capital grants received from the Government of India, the receipt of the additional grants of 15% from GOI on achievement of prescribed milestones set by GOI from the date of inception of the project till date and the balance amount to be received from the Government of India and the action taken thereon with documentary evidence.
- ix. actual number of UNIP connections existing as on 01.04.2019, works completed and closing balance of UNIP installations to be provided with infrastructure for having incurred of Rs.52.11 Crores as the provisional



capital expenditure in providing infrastructure to UNIP connections along with the source of funding for FY20 and also for FY21 and FY22.

MESCOM has submitted the replies for the above observations as mentioned below:

1. The Model Sub Division works in Attavara Sub Division of Mangaluru O&M Division and City Sub division of Shivamogga O&M division under rate contracts for the period of two years on total turnkey basis has been awarded on 18-07-2018 for a total cost of Rs.141.54 Crores and Rs.71.25 Crores respectively. Funds for the scheme are from borrowings from commercial banks. The works under this project are under progress and evaluation of benefits will be done after completion of the works as compared to the envisaged benefits.
2. MESCOM in its reply has submitted the progress of DDUGVY and IPDS Schemes as mentioned below:

a) Physical and Financial progress in respect of DDUGJY scheme.

Name of the Scheme	Target Date of Completion	Expenditure incurred as on March 2020 in Rs. Crores	No of BPL Beneficiaries serviced	Amount of Capital Grants received from GOI as on Nov 2020 in Rs. Crs.	Balance amount to be received from GOI in Rs.Crs.
DDUGJY	December 2020	430.88	32571	213.35	26.03

The works under DDUGJY has been completed in Dakshina kannada and Udupi districts and works are under progress in Shivamogga and Chikkamagaluru Districts and has placed the subject, " the executed BOQ and executed cost" details pertaining to Dakshina Kannada and Udupi districts before SLSC for approval of the same to submit the closure proposals to M/s. REC as per guidelines to claim the final tranche grants (10% of the grant amount) and Additional grants (15% of the sanctioned cost).



b) Physical and Financial progress in respect of IPDS scheme.

Name of the Scheme	Target Date of Completion	Expenditure incurred as on March 2020 in Rs. Crores	No of BPL Beneficiaries serviced	Amount of Capital Grants received from GOI as on Nov 2020 in Rs.Crs.	Balance amount to be received from GOI in Rs.Crs.
IPDS	June 2019	159.84	-	91.26	10.14

It has placed the subject, " the executed BOQ and executed cost" details before SLDRG requesting approval for the same to submit the closure proposals to M/s. PFC as per guidelines to claim the final tranche grants (10% of the grant amount) and Additional grants (15% of the sanctioned cost).

c) Providing Infrastructure to unauthorized IP sets:

Progress as on date	No. of pumpsets registered by paying Rs.50/-	Rs. 10000/- paid	Lapsed	Balance (Registered IP sets for which Rs. 10,000/- is not paid)	Infrastructure provided			Balance infrastructure to be provided
					service Mains	By creating infrastructure	Total	
As on 31.03.2020	93171	74930	1620	16621	46803	21110	67913	7017
As on 30.11.2020	103191	82389	1620	19182	50860	23184	74044	8345

The Commission notes the replies/details submitted by the MESCOM.

- MESCOM has not furnished the work wise comparison of capital expenditure incurred with reference to the approved amounts under different items of capex for FY20 in the format approved by the Commission in the Tariff order 2019 without giving any reasons for the underutilization of the approved Capex. Hence, Commission directs MESCOM to study and analyse the proposed Capex works before submission to the Commissions for the approval.
- On review of the progress of Model Sub-Division works submitted by MESCOM, the Commission notes that the time line fixed for the project has been over as per the work award. The Commission directs MESCOM to complete the work at the earliest and submit the cost benefit analysis/evaluation of the benefits as envisaged in the DPRs/ Estimates.

3. In the view of the progress achieved by MESCOM with respect to DDUGJY and IPDS works, Commission directs MESCOM to complete the remaining DDUGJY work and furnish the details of the Grants received to the Commission after the acceptance of the closure report by the competent authority with documentary evidence.
4. In the view of the progress achieved by MESCOM with respect to UNIP works, the Commission directs MESCOM to complete the balance number of works within the time frame and submit the progress report there on.

Thus, the Commission, by Considering the replies submitted by MESCOM, and in view of the fact that the actual capex incurred is within the approved Capex, decides to approve the actual capex of Rs.501.61 Crores incurred, for the purpose of approval of APR for FY20. The capex approved by Commission for FY20 is to outside the preview of any enquiry conducted / to be conducted by the department / any agency on the capital works.

Prudence Check of Capital Expenditure incurred by MESCOM during FY19 and FY20:

The Commission, in its Tariff Orders dated 14th May 2018 and 30th May 2019 had allowed Capital expenditure incurred by the MESCOM for the period FY19 and FY20 respectively, subject to carrying out the prudence check of the various works undertaken by MESCOM. Accordingly, the Commission had entrusted conducting prudence check work of MESCOM to M/s TERI, Bengaluru.

M/s TERI, Bengaluru, have submitted the report in the matter. The Commission had forwarded a copy of the Report of the Consultant to MESCOM for information and to submit its comments on the findings of the prudence check report. MESCOM has submitted its compliance on 06.04.2021, require further clarity from the Consultants. Hence, the Commission will take a view on the report submitted by M/s TERI, Bengaluru after analyzing the replies from the consultants and the MESCOM, which will be reviewed in the next Tariff Order.

4.2.6 Operation and Maintenance Expenses:

MESCOM's Submission:

The MESCOM, in its Petition, has claimed Rs.684.26 Crores towards O&M expenditure as against Rs.595.62 Crores as approved by the Commission in its

Tariff Order dated 30th May, 2019 for FY20. The break-up of O&M expenses are as follows:

TABLE – 4.10
O & M Expenses - MESCOM's submission

Particulars	Amount in Rs. Crores	
	FY20	
Employee cost	493.34	
Repairs and Maintenance	67.33	
Administrative & General Expenses	123.59	
Total O & M Expenses	684.26	

Commission's analysis and decisions:

The Commission in its Tariff Order dated 30th May, 2019 had approved O&M expenses for FY20 as follows:

TABLE – 4.11

Approved O&M Expenses as per Tariff Order dated 30.05.2019

Particulars	FY19	FY20
No. of installations		2424347
CGI based on 3 Year CAGR		2.98%
Inflation index in %		8.2760%
Base year O&M expenses (Projected as per actuals of Rs. 490.09 Crores for FY18) Rs. Crores	540.22	
O&M Index= $O\&M(t-1) * (1+WII+CGIX)$ in (Rs. Crores)		595.62
Allowable Total O&M cost in Rs. Cores		595.62

The observations of the Commission and replies furnished by MESCOM on the O & M expenses are as follows:

a. Actual Employees Strength and Cost incurred for FY20:

The Commission notes that MESCOM in its filing has claimed the actual O&M expenditure as per the audited accounts of Rs.684.26 Crores for FY20. The Commission has noted, the abnormal expenditure booked under different head of accounts as per the audited account for FY20. The Commission further noted the increase in the actual O&M expenditure year on year as against the Commission direction to control the same.

The Commission in its preliminary observation, has noted that MESCOM, in its tariff application has indicated the number of employees working strength as 5397 as against the sanctioned strength of 9274 employees for FY20. It is observed that, as against 8633 number of sanctioned post of all other staff, below the officer's grade, 4898 employees are working. MESCOM was directed to furnish the cadre-wise details of employees covered under all 'other staff' and explain how it is managing with the existing staff. MESCOM was also directed to furnish the number of persons working on outsourced/on-contract basis and remuneration incurred thereon during FY20 and up to October 2020.

MESCOM in its replies to the preliminary observations, has submitted the details of number of employees sanctioned vis-à-vis and number of employees working under group C and Group D category. MESCOM also submitted that it is maintaining the regular and routine works of the company through existing staff by making in charge /additional charge arrangements and to assist the existing staff human resource services are obtained from Outsourcing Agencies. MESCOM also submitted that there are 1218 number of persons working on Outsource/contract basis and MESCOM has incurred Rs.36.19 Crores towards their remuneration.

b. Terminal Benefits:

The Commission had observed that MESCOM, in its filing has claimed an amount of Rs.125.30 Crores towards un-controllable additional employees cost (Terminal Benefits) for FY20. MESCOM was directed to furnish the detailed computation sheet for having incurred expenditure under this head of account along with the Actuarial Valuation Report for FY20.

MESCOM in its replies to the preliminary observation, has submitted that MESCOM has incurred Rs.94.11 Crores towards Pension contribution in respect of employees appointed prior to 01.04.2006, Rs.6.94 Crores towards Gratuity contribution in respect of employees appointed prior to 01.04.2006, Rs.23.98 Crores towards contribution of terminal benefit in respect of employees appointed after 1.04.2006 covered under NDCCP scheme and Rs.0.27 Crores towards other expenses, thus amounting to Rs.125.30 Crores towards un-controllable additional employees cost. MESCOM has informed that

contribution towards Pension and Gratuity payable to KPTCL/ESCOMs Pension & Gratuity Trust in respect of employees appointed prior to 01.04.2006, is being accounted on the formula evolved by the Trust based on the actuarial valuation report forwarded by KPTCL/ESCOMs' Pension & Gratuity Trust. Further, the liability for FY20 was accounted based on the Order dated 30th October, 2019, of KPTCL/ESCOMs Pension & Gratuity Trust. In the said Order the rates of pension and gratuity contributions are revised w.e.f. 01.04.2018. Hence, the expenses accounted by the Company in this regard during FY20 comprise the contribution for FY20 at revised rates as well as arrears for FY18 and FY19. The actuarial valuation of Pension and Gratuity liability for FY20 was not finalized by the P&G Trust as on the date of finalization of accounts for FY20.

MESCOM also informed that the employers' contribution payable to the Trust in respect of employees appointed after 01.04.2006 has increased from 10% to 14% w.e.f. 01.04.2019.

MESCOM has submitted the working details for pension contribution payable to the trust during FY20 in respect of employees appointed before 01.04.2006 and after 01.04.2006.

c. Administrative & General Expenses:

The Commission in its preliminary observations had noted that MESCOM, in its filing has claimed an amount of Rs.84.79 Crores towards 'Other Professional charges' for FY20. MESCOM was directed to submit the details for having incurred the expenditure under this head of account of FY20.

As directed, MESCOM, in its replies has submitted the details of expenditure incurred under the head "Other Professional Charges" for FY20.

The Commission also noted that MESCOM, in its filing, has claimed an amount of Rs.20.82 Crores towards conveyance and 'Vehicle Hire Charges' for FY20. The Commission, in its earlier Tariff Order's had directed MESCOM to control the expenses under A&G head of account. In spite of the said direction, the Commission has observed that the expenditure under this head of account is increasing year on year. MESCOM was directed to explain the reason for

incurring higher expenses under this head of account, besides furnishing the details about the expenditure incurred on behalf of regular employee's and service station maintenance along with number of vehicle hired.

MESCOM in its reply to the preliminary observations, has submitted the details of expenditure incurred under "Vehicle Hire Charges" for FY20.

MESCOM has submitted that the travelling allowance paid to employees has increased by Rs.2.31 Crores and the vehicle hiring charges has increased by Rs.1.24 Crores during FY20 over FY19. MESCOM also submitted that it has incurred Rs.11.32 Crores towards hiring 231 vehicles during FY20 and has classified the same as O & M expenses.

The Commission observed that MESCOM, in filing of APR for FY20, has claimed the actual O&M expenses of Rs.684.26 Crores. MESCOM has not computed the O&M expenses as per the MYT Regulations/norms. As such, MESCOM was directed to submit the computation of O&M expenses as per MYT norms and compare them with the actual expenditure and submit the reasons for variations, if any.

MESCOM in its reply to the preliminary observations, has submitted the computation of normative O&M expenses as per MYT norms for FY20 considering the total O&M Expenses for the base year FY19 of Rs.577.24 Crore, as indicated below;

Particulars	FY-19	FY-20
Actual Expenses in FY19	577.24	-
Inflation Index considered in TO-2020	-	3.36%
Weighted Inflation Index TO-2020	-	8.2604%
Efficiency Factor	-	1.00%
Net Growth Rate	-	10.6204%
Expenses projected for the year	-	638.55

The Commission has taken note of the above replies furnished by MESCOM and has appropriately considered the same while computing the O & M expenses. The Commission would like to reiterate its direction that, the O&M expenses are classified as controllable expenses as per the MYT Regulations and the MESCOM should take necessary action to minimize these expenses, in future, to bring down the O&M expenses within the approved levels.

In accordance with the provisions of the MYT Regulations, the Commission while approving the ARR for FY20 and earlier APRs, proceeds with the determination of normative O&M expenses, based on the 12 Year data of WPI and CPI, besides considering the three-year compounded annual growth rate (CAGR) of consumers. Considering the Wholesale Price Index (WPI) as per the data available from the Ministry of Commerce & Industry, Government of India and Consumer Price Index (CPI) as per the data available from the Labour Bureau, Government of India and adopting the methodology followed by the CERC with CPI and WPI in a ratio of 80:20, the allowable rate of inflation for FY20 is computed as follows:

TABLE-4.12
Allowable inflation for FY20

Year	WPI	CPI	Composite Series	Yt/Y1= Rt	Ln Rt	Year (t-1)	Product [(t-1)* (LnRt)]
2008	80.0	141.7	129.36				
2009	81.9	157.1	142.06	1.10	0.09	1	0.09
2010	89.7	175.9	158.66	1.23	0.20	2	0.41
2011	98.2	191.5	172.84	1.34	0.29	3	0.87
2012	105.7	209.3	188.58	1.46	0.38	4	1.51
2013	111.1	232.2	207.98	1.61	0.47	5	2.37
2014	114.8	246.9	220.48	1.70	0.53	6	3.20
2015	110.3	261.4	231.20	1.79	0.58	7	4.06
2016	110.3	274.3	241.50	1.87	0.62	8	4.99
2017	114.1	281.2	247.78	1.92	0.65	9	5.85
2018	118.9	294.8	259.62	2.01	0.70	10	6.97
2019	121.2	317.4	278.16	2.15	0.77	11	8.42
A= Sum of the product column							38.75
B= 6 Times of A							232.49
C= (n-1)*n*(2n-1) where n= No of years of data=12							3036.00
D=B/C							0.08
g(Exponential factor)= Exponential (D)-1							0.0796
e=Annual Escalation Rate (%)=g*100							7.9586
As per CERC Notification No.Eco T I / 2020-CERC dated 27.03.2020 with weightage of 80% on CPI and 20% on WPI							

While determining the normative O & M expenses for FY20, the Commission has considered the following:

- a) The actual O & M expenses as per the audited accounts for FY19, as the base year expenses excluding contribution to Pension and Gratuity Trust.

- b) The three-year compounded annual growth rate (CAGR) of 3.24% for the number of installations considering the actual number of installations as per the audited accounts up to FY20.
- c) The weighted inflation index (WII) at 7.9586% as computed above.
- d) Efficiency factor at 1% as considered in the earlier control periods.

Thus, the normative O & M expenses for FY20 will be as follows:

TABLE - 4.13
Approved Normative O & M Expenses

Particulars	Amount in Rs.Crores
	FY20
No. Of Installations	2442780
CGI based on 3 years CAGR	3.24%
Inflation index	7.9586%
Base Year O&M Cost (FY19 as per actuals without P&G)-Rs. Crores	484.96
O&M Index= O&M (t-1)*(1+WII+CGI-X)	534.41

The Commission has computed the above normative O&M expenses without considering the contribution to the Pension and Gratuity Trust for FY20.

MESCOM, as per its audited accounts has accounted an amount of Rs.125.03 Crores towards Contribution to Pension and Gratuity Trust for other funds for FY20. Thus, the Commission has considered Rs.125.03 Crores towards Contribution to Pension and Gratuity Trust while computing the normative O & M expenses for FY20. The Commission, as per the provisions of the MYT Regulations, has treated the employee costs on account of Contribution to P&G Trust as uncontrollable O&M expenses. Thus, the Commission has allowed the actual expenses incurred towards Contribution to P&G Trust in addition to the normative O&M expenses to enable MESCOM to meet its actual employee costs.

Based on the above, the allowable O&M expenses for FY20 are as follows:

TABLE - 4.14
Allowable O & M Expenses for FY20

Sl. No.	Particulars	Amount in Rs. Crores
		FY20
1	Normative O & M expenses	534.41
2	Additional employee cost (uncontrollable O & M expenses) towards contribution to P & G trust	125.03
3	Allowable O & M expenses for FY20	659.44

Thus, the Commission decides to allow an amount of Rs. 659.44 Crores as O&M expenses for FY20.

4.2.7 Depreciation:

MESCOM's Submission:

MESCOM, in its Petition, has claimed an amount of Rs.166.65 Crores towards depreciation as against Rs.122.99 Crores as approved by the Commission for FY20. MESCOM has submitted that the assets created out of Govt. grants and consumer contribution till 31.03.2016 amounting to Rs.515.17 Crores have been shown in as a reduction in the cost of Fixed assets and depreciation on these assets i.e., Rs.26.74 Crores is reduced from the total depreciation. MESCOM has also informed that the Govt. grants and consumer contribution received after 01.04.2016 are accounted as deferred income and depreciation chargeable on these assets i.e., Rs.25.95 Crores is taken to P&L accounts as income under 'Other Income'.

Commission's analysis and decisions:

The Commission notes that MESCOM, has accounted an amount of Rs. 166.65 Crores as the depreciation without reckoning depreciation of assets created out of consumer's contribution/grants upto 31.03.2016. The depreciation on the assets created out of consumer's contribution / grants from 01.04.2016 of Rs.25.95 Crores has been accounted under other income in the audited accounts for FY20.

The Commission, in accordance with the provisions of the KERC (Terms and Conditions for Determination of Tariff) Regulations, 2006 as amended from time to time, has considered the opening and closing balances of gross blocks of fixed assets for FY20 for computing the depreciation. As per annual accounts, the weighted average rate of depreciation works out to 5.19%.

The depreciation on assets created out of consumers contributions/ grants from 01.04.2016 to 31.03.2020 of Rs.25.95 Crores and charged under other income for FY20. The Commission as per the Accounting Standards (AS)-12, an amount of Rs.25.95 Crores being depreciation return back on assets

created out of consumer contribution / grants accounted other income has been factored in and deducted from the gross depreciation amount for FY20.

Accordingly, the approved asset-wise depreciation for FY20 is as follows:

TABLE – 4.15
Allowable Depreciation for FY20

Amount in Rs. Crores	
Particulars	Depreciation
Buildings	3.7944
Civil	0.1594
Other Civil	0.0273
Plant & M/c	
Line, Cable Network net of the deducting Rs.270.47 Crores of assets created out of consumers contribution/grants	154.20
Vehicles	0.96
Furniture	0.45
Office Equipment	0.90
Lease hold land	0.00
Released assets re-used to works	0.00
Land	0.00
Intangible Assets	6.27
Total Depreciation	166.76
Less: Depreciation on assets created out of consumer contribution / grants	25.95
Net allowable depreciation	140.81

Thus, the Commission decides to allow the net depreciation of Rs.140.81 Crores for FY20.

4.2.8 Interest and Finance Charges:

a) Interest on Capital loan:

MESCOM's Submission:

MESCOM in its Petition, has claimed an amount of Rs.86.03 Crores by including Rs.1.08 Crores of cost of raising finance as interest on capital loans drawn from Banks/Financial Institutions as against Rs.101.38 Crores (excluding Rs.1.10 Crores towards cost of raising finance) approved by the Commission for FY20.

MESCOM has claimed the interest on capital loans of Rs.86.03 Crores as indicated below:

Amount in Rs. Crores	
Particulars	FY20
Long term secured & unsecured loans	881.89
Add new Loans	264.83
Less Repayments	147.73
Total loan at the end of the year	998.99
Average Loan	940.44
Interest paid on long term loans as per filing	84.96
Weighted average rate of interest based on the interest projected on average loans in %	9.03%

Source-Annexure D9 of filing

Commission's analysis and decisions:

The Commission in its preliminary observations directed MESCOM to furnish the loan-wise details for the capital loan for FY20. Accordingly, MESCOM has confirmed that the loan-wise details for capital loan for FY20 is furnished in annexure 1(a) of the tariff filing. The Commission notes that MESCOM has borrowed loans at interest rate varying from 8.10% to 12.00%.

The Commission has considered the status of opening and closing balances of capital loans, as per the audited accounts for FY20, and as submitted under Format D-9 and the additional details submitted in the filings with new loans borrowed and repayment of loans details, while allowing the interest on capital loan as shown in the following Table:

TABLE – 4.16
Allowable Interest on Loans – FY20

Amount in Rs. Crores	
Particulars	FY20
Opening Balance of Long term secured & unsecured loans	881.69
Add: New Loans Borrowed during the year	264.83
Less: Repayments of loans during the year	147.71
Total loan at the end of the year	998.81
Average Loan	940.25
Interest paid on long term loans as per filing	84.96
Weighted average rate of interest based on the interest projected on average loans.	9.04%
Allowed Interest on capital loan	84.96



Considering the average loan of Rs.940.25 Crores and an amount of Rs.84.96 Crores incurred towards interest on capital loans, the weighted average of interest rate works out to 9.04%. The actual weighted average rate of interest of 9.04% is comparable with the prevailing rate of interest for the long term loan.

Thus, the Commission decides to allow an amount of Rs.84.96 Crores towards interest on capital loans for FY20.

b) Interest on Working Capital:

MESCOM's Submission:

MESCOM in its Petition, has claimed Rs.52.45 Crores towards Interest on Working Capital as against Rs.71.23 Crores as approved by the Commission in its Tariff Order dated 30th May, 2019 for FY20.

MESCOM, as per details submitted in its filing as per the audited accounts, has incurred an amount of Rs.26.76 Crores towards interest on short term loans / overdraft during FY20. However, MESCOM in its application has claimed an amount of Rs.52.45 Crores based on the norms prescribed under the MYT Regulations at the rate of interest of 11.00% p.a for FY20. The interest on working capital computed by MESCOM is as follows:

TABLE – 4.17
Interest on Working Capital for FY20-MESCOM's Submission

Amount in Rs. Crores	
Particulars	As Filed
1/12th of O&M Expenses	57.02
Opening GFA	2715.16
1% of opening GFA	27.15
1/6th of Revenue	626.05
Total Working Capital	710.24
Normative Interest on Working Capital @ 11%	78.13
Actual interest on working capital incurred in FY20	26.76
Interest on working capital claimed	52.45

Commission's analysis and decisions:

The Commission has been computing the interest on working capital considering the Marginal Cost of Fund-based Lending Rates (MCLR) with the

spread of certain basis points as per the provisions of MYT Regulations. Accordingly, the Commission for computation of normative interest on working capital, as per the provisions of the MYT Regulations, has decided to consider the interest rate of 11.00% as considered while approving the ARR, by considering the MCLR rate at the beginning of the financial year with a spread of basis points for FY20.

As per the audited accounts, the MESCOM has incurred an amount of Rs.26.76 Crores towards interest on short term loans/over drawn for FY20.

The Commission has computed the allowable interest on working capital as per the KERC (Terms and Conditions for Determination of Tariff) Regulations, 2006 and amendments thereon, for FY20 as in the following Table:

TABLE – 4.18
Allowable Interest on Working Capital for FY20

Amount In Rs. Crore	
Particulars	FY20
One-twelfth of the amount of O&M Expenses	54.95
Opening GFA	2715.16
Stores, materials and supplies 1% of Opening balance of GFA	27.15
One-sixth of the Revenue	626.07
Total Working Capital	708.17
Rate of Interest (% p.a.)	11.00%
Normative working capital Interest	77.90
Actual Interest on Working Capital incurred by MESCOM as per audited accounts for FY20	26.76
Allowable Interest on Working Capital (Actual interest on WC + 50% of the difference between normative WC and the actual interest on WC).	52.33

Since the actual interest on working capital is less than the normative interest on working capital, as per the provisions of the MYT Regulations, the Commission decides to allow the actual interest on working capital of Rs.26.76 Crores plus 50% of the difference between normative interest on working capital and the actual interest on working capital which works out to Rs.52.33 Crores.

Thus, the Commission decides to allow Rs.52.33 Crores, towards interest on working capital for FY20.



c) Interest on Consumers' Security Deposits:**MESCOM's Submission:**

MESCOM as per the audited accounts has claimed an amount of Rs.39.85 Crores towards payment of interest on consumers' security deposits as against Rs.42.34 Crores as approved by the Commission for FY20.

Commission's analysis and decisions:

The Commission notes that, based on the actual amount of consumer security deposits collected by MESCOM, the interest on consumer security deposits amounting to Rs.39.85 Crores has been claimed by MESCOM as per the audited accounts for FY20.

As per the KERC (Interest on Security Deposit) Regulations, 2005, the interest on consumer deposits shall be allowed as per the bank rate prevailing on the 1st of April of the relevant year. The bank rate as on 1st April, 2019 was 6.50%. The weighted average rate of interest claimed by MESCOM, as per the audited accounts, is within the applicable bank rate of 6.5% as per the RBI Notification. The Commission therefore decides to consider the actual interest on consumer security deposit booked on the basis of audited deposit held by MESCOM and payment of interest thereon for FY20.

Thus, the Commission decides to allow an amount of Rs.39.85 Crores towards interest on consumer security deposits for FY20.

d) Other Interest and Finance Charges:

MESCOM in its Petition, has claimed an amount of Rs.1.08 Crores towards Other Interest & Finance Charges as against Rs.1.10 Crores as approved by the Commission for FY20.

The Commission decides to allow Rs.1.08 Crores towards Other Interest & Finance Charges in the APR for FY20.

e) Capitalization of Interest and other expenses:

MESCOM in its Petition has not claimed any amount towards interest capitalized on capital loans and other expenses for FY20.

The Commission, on perusal of the audited accounts, has noted that MESCOM has not capitalized any amount of interest on capital loan and other expenses for FY20. Thus, the Commission has not allowed any amount towards capitalization of Interest on loans and other expenses for computation of APR for FY20.

As per the above discussions, the total allowable interest and finance charges for FY20 are as follows:

TABLE – 4.19
Allowable Interest and Finance Charges

Sl. No.	Particulars	Amount in Rs. Crore
		FY20
1.	Interest on Loan capital	84.96
2.	Interest on working capital	52.33
3.	Interest on consumer deposits	39.85
4.	Other interest and finance charges	1.08
5.	Less: Interest and other expenses capitalized	0.00
	Total interest and finance charges	178.22

Thus the Commission approves total Interest & Finance charges of Rs.178.22 Crores for FY20 in the APR.

4.2.9 Other Debits/Extraordinary Items:

MESCOM's Submission:

MESCOM, in its application has claimed Rs.13.99 Crores towards other debits for FY20.

Commission's analysis and decisions:

The Commission notes that as per the audited accounts, the other debits are indicated as Rs.13.89 Crores, whereas MESCOM has claimed Rs.13.99 Crores which includes Rs.3.80 Crores towards provisions made for loss on obsolescence of stores etc. in stock which is not admissible.

Thus, the Commission decides to allow Rs.10.09 Crores as other debits for FY20, by disallowing the provisions of Rs.3.80 Crores.



4.2.10 Return on Equity:**MESCOM's Submission:**

MESCOM in its Petition, has claimed Return on Equity at Rs.112.51 Crores as against Rs.122.20 Crores as approved by the Commission in its Tariff Order dated 30th May, 2019 for FY20. MESCOM has claimed the return on equity as under:

TABLE – 4.20
Return on Equity for FY20- MESCOM's Submission

Particulars	Amount in Rs. Crores	
	FY20	
Opening balance of paid-up share capital	481.82	
Opening balance of Share Deposit	46.88	
Opening balance of Accumulated Surplus	188.05	
Less: Recapitalized Security Deposit	-26.00	
Total Equity	690.75	
Rate of RoE in %	15.50%	
RoE on the opening balance of equity for FY20	107.07	
RoE on equity infused during FY20	5.44	
Total RoE considered for APR	112.51	

Commission's analysis and decisions:**i) Debt Equity Ratio Vis-à-vis Gross Fixed Asset:**

The Commission notes that the actual opening and closing balances of gross fixed assets along with break-up of equity and loan component, as per the audited accounts, are indicated below:

TABLE – 4.21
Status of Debt Equity Ratio for FY20

Particulars	Amount in Rs. Crores						
	GFA (Actuals)	Debt (Actuals)	Equity (Net-worth) (Actuals)	Normative Debt @ 70% of GFA	Normative Equity @ 30% of GFA	%age of actual debt on GF	%age of actual equity on GF
Opening Balance	2715.16	881.69	690.52	1900.61	814.55	32.47	25.43
Closing Balance	3378.87	998.81	807.56	2365.21	1013.66	29.56	23.90

From the above table it is evident that the debt and equity amount are within the limits as per the normative debt equity ratio of 70 : 30, on the opening and closing balances of GFA for FY20.

ii) Return on Equity (RoE):

The Commission has computed the allowable Return on Equity at 15.5% on the opening balance of net-worth of MESCOM, as per the KERC (Terms and Conditions for Determination of Tariff) Regulations, 2006 as amended from time to time, for FY20.

The Commission has allowed the RoE on the opening balance of equity (net-worth) amount at 15.5% and also allowed the additional RoE on the equity amount infused by the GoK during the year as per Clause 3.9.1 and Clause 3.9.2 of the KERC (Terms & conditions for Determination of Tariff for Retail Sale of Electricity) (Second Amendment), Regulations, 2015, for FY20.

Accordingly, as per the provisions of MYT Regulations and in line with the practice being followed in the previous Tariff Orders, the Commission has considered the opening balance of share capital and share deposit plus the accumulated balance of profit/loss as per audited accounts and also after factoring in the recapitalization of security deposit of Rs.26.00 Crores in compliance with the Orders of the Hon'ble ATE in appeal No.46/2014, while allowing the RoE, without grossing up with MAT for FY20 is determined as follows:

TABLE – 4.22
Allowable Return on Equity

Particulars	Amount in Rs. Crores	
	FY 20	
OB: Paid Up Share Capital	481.82	
OB: Share Deposit	46.88	
OB; Reserves & Surplus	187.82	
Less Recapitalized Security Deposit	26.00	
Total Opening Balance of Equity	690.52	
Allowable RoE at 15.50 %	107.03	

Further, as reported by MESCOM, an additional equity of Rs.87.46 Crores has been received during the year from Government of Karnataka in various Government Orders. Considering the actual date of receipt of this additional equity, the Commission as per provisions of the MYT Regulations, has determined the allowable return on additional equity as shown in the following Table:

TABLE – 4.23

Allowable Return on equity for the additional equity received during FY20

Additional Equity received during FY20	Amount in Rs. Crores	Received on	No. of Months	RoE allowed Rs. Crores
EN82 PSR 2019 dated 13.06.2019	20.00	28.06.2019	9	2.33
EN86 PSR 2019 dated 13.06.2019	1.36	26.06.2019	9	0.16
EN84 PSR 2019 dated 14.06.2019	0.50	27.06.2019	9	0.06
EN84 PSR 2019 dated 14.06.2019	0.13	01.07.2019	8	0.01
EN84 PSR 2019 dated 19.09.2019	0.13	26.09.2019	6	0.01
EN84 PSR 2019 dated 19.09.2019	0.50	25.09.2019	6	0.04
EN86 PSR 2019 dated 19.09.2019	1.36	26.09.2019	6	0.11
EN82 PSR 2019 dated 23.09.2019	20.00	17.10.2019	5	1.29
EN86 PSR 2019 dated 21.12.2019	1.36	02.01.2020	2	0.04
EN84 PSR 2019 dated 21.12.2019	0.63	02.01.2020	2	0.02
EN82 PSR 2019 dated 21.12.2019	20.00	03.01.2020	2	0.52
EN82 PSR 2019 dated 20.02.2020	20.00	06.03.2020	0	0.00
EN84 PSR 2019 dated 25.02.2020	0.13	05.03.2020	0	0.00
EN86 PSR 2019 dated 28.02.2020	1.36	16.03.2020	0	0.00
TOTAL	87.46			4.57
Return on Equity allowed on Additional Equity Infusion in FY20				

The allowable return on equity on the additional equity infused during FY20 is Rs.4.57 Crores.

Thus, the Commission decides to allow total Return on Equity of Rs.111.60 Crores for FY20.

4.2.11 Income tax:

MESCOM in its filing, has claimed Rs.0.03 Crores towards the net Income Tax (MAT) for FY20. The Commission notes that, as per the audited accounts, the income tax paid by MESCOM is Rs.10.9977 Crores. Further, it is observed that an amount of Rs.10.9632 Crores has been booked on MAT credit entitlement. Thus, the Commission decides to allow the net income tax of Rs.0.03 Crores for FY20.

4.2.12 Other Income:**MESCOM's Submission:**

MESCOM in its Petition has claimed an amount of Rs.72.71 Crores as Other Income as against Rs.83.86 Crores as approved by the Commission for FY20.

Commission's analysis and decisions:

The Commission notes that, as per the audited accounts, the total amount of other income is indicated as Rs.119.35 Crores for FY20. This includes income from rent, rebate for collection of electricity duty, incentive received for early payment of power purchase bills, other income relating to purchase of power, miscellaneous recoveries, delayed payment charges from consumers and depreciation on the assets created out of consumer contribution grants.

Further, as decided in the earlier Tariff Orders, to encourage and bring in financial discipline in timely payment of monthly power purchase bills, the Commission continues to allow Rs.2.80 Crores being 10% of the total incentive of Rs.28.00 Crores received on account of early payment of power purchase bills, to be retained by MESCOM for FY20. An amount of Rs.39.87 Crores towards Interest on delayed payment from consumers considered as revenue from sale of power and miscellaneous charges. An amount of Rs.25.95 Crores towards depreciation on assets created out of consumer contribution / grants as per the Accounting Standard AS-12, included under other income has been considered as deduction from the depreciation for FY20. Further, an amount of Rs.3.638 Crores being the difference of power purchase cost payable by MSEZ for FY20 is considered as other income to MESCOM. By excluding the above items and by addition of additional power purchase cost of MSEZ, **the Commission decides to allow an amount of Rs.54.37 Crores, as other income for FY20.**

4.2.13 Fund towards Consumer Relations / Consumer Education:

The Commission has allowed an amount of Rs.0.50 Crore towards consumer relations / consumer education, in the approved ARR for FY20, in its Tariff Order 2019 dated 30th May, 2019. MESCOM in its filing has reported that an amount of Rs.0.35 Crores has been incurred towards Consumer Relations / Consumer Education and other CSR related expenses for FY20. The Commission notes that, as per the audited accounts, the MESCOM has incurred an amount of Rs.0.39 Crores towards consumer relation/consumer education for FY20.



Accordingly, the Commission decides to allow an amount of Rs.0.39 Crores as expenditure towards Consumer Relations / Consumer Education for FY20.

4.2.14 Subsidy for FY20:

MESCOM in its application has claimed an amount of Rs.986.88 Crores towards Tariff subsidy for BJ/KJ installations and IP sets as against Rs.944.13 Crores approved by the Commission in its Tariff Order dated 30th May, 2019 for FY20. (Rs.24.42 Crores and Rs.919.71 Crores towards the sale of power to BJ/KJ installations and IP sets), in accordance with the prevailing Policy of the Government of Karnataka, in the matter of free power supply to BJ/KJ installations and IP sets installations of 10HP & below.

The Commission notes that, as per the audited accounts, Rs.27.79 Crores and Rs.961.03 Crores has been factored in as tariff subsidy for BJ/KJ and IP Set installations respectively and the same is factored in the subsidy statement attached to the audited account for FY20. The Commission, while computing the revised ARR as per APR for FY20, has considered tariff subsidy of Rs.988.82 Crores, towards sale of power to BJ/KJ installations and IP sets for FY20, to be received from the Government. (Rs.27.79 Crores and Rs.961.03 Crores toward BJ/KJ and IP Sets). **Thus, the Commission decides to approve the subsidy of Rs.988.82 Crores for FY20 based on the APR. The difference in tariff subsidy amount of Rs.44.69 Crores is payable by the GoK to MESCOM for FY20.**

4.2.15 Revenue for FY20:

MESCOM, in its application has considered Rs.3756.41 Crores as total revenue from sale of power from consumers including Rs.988.82 Crores of subsidy from IP sets and BJ/KJ installations for FY20.

The Commission in its preliminary observations, has noted that MESCOM under format A-2 (Balance sheet), has indicated Rs.616.31 Crores and Rs.755.76 Crores as opening and closing balance of receivable from consumers for sales of power, as against the actual revenue demand of Rs.3756.41 Crores for FY20. 100% recovery of the bill amount is the key factor in running the Company financially viable. This will also be a key factor in arriving at the lower percentage of AT&C losses of the Company besides reducing the interest

burden on the power purchase and bank loans. MESCOM was directed to explain the basis for projecting the higher amount of closing balance of receivables for FY21 and FY22. MESCOM was also directed to furnish the reasons for the accumulation of revenue receivables from the consumers during FY20 and efforts made and the action plan drawn for the recovery of arrears.

MESCOM, in its reply to the preliminary observations, has submitted the reasons for accumulation of receivable from consumers to the extent of Rs.755.76 Crores at the end of FY20. MESCOM has submitted that total receivables from consumers of Rs.755.76 Crores include the receivables from RLBs, ULBs, IP arrears pertaining to the period prior to 01-08-2008, MPM, Bhadravathi arrears, arrears from Government departments and from BJ/KJ installations for the consumption above 40 units and unbilled revenue accounted for FY20. The details of major receivable as furnished by MESCOM are as under:

Rs. In Crores	
Details	Amount
Receivable from RLBs	54
Receivable from ULBs	42
From Govt. Departments	5
Receivable from MPM	178
IP arrears prior to 01-08-2008	117
BJ/KJ arrears	22
Unbilled revenue accounts	221
Others	117
Total	756

MESCOM has submitted that it is continuously pursuing with the concerned authorities for recovery of the accumulated arrears. However, the Commission observes that effective action needs to be taken for the recovery of arrears and therefore directs MESCOM to take up the matter and regularly pursue with GoK to ensure timely recovery of the huge arrears from the above sources.

The Commission notes that as per the audited accounts for FY20, the revenue from sale of power is Rs.3756.41 Crores. The Commission decides to consider the same for the purpose of APR.



4.3 Abstract of Approved ARR for FY20:

As per the above item-wise decisions of the Commission, the consolidated Statement of revised ARR for FY20 is as follows:

TABLE – 4.24

Approved revised ARR for FY20 as per APR

Sl. No.	Particulars	Amount in Rs. Crores		
		As Appd in TO 30.05.2019	As filed	As approved
1	Energy at Gen Bus (With MSEZ) - MU	5912.84	6154.66	6130.37
2	Energy at Interface in MU	5674.74	5835.03	5835.03
3	Distribution Losses in %	11.00%	10.07%	10.07%
	Sales in MU			
4	Sales to other than IP & BJ/KJ	3347.15	3483.59	3483.59
5	Sales to BJ/KJ	34.21	34.65	34.65
6	Sales to IP	1669.16	1728.92	1728.92
	Total Sales	5050.52	5247.16	5247.16
	Revenue at existing tariff in Rs. Crores			
7	Revenue from tariff and Misc. Charges	2659.11	2769.53	2767.59
8	RE Subsidy to BJ/KJ	24.42	27.79	27.79
9	RE Subsidy to IP (with disallowance of the Sales to IP sets)	919.71	959.09	961.03
	Total Existing Revenue	3603.24	3756.41	3756.41
	Expenditure in Rs. Crores			
10	Power Purchase Cost	2347.11	2572.68	2541.03
11	Transmission charges of KPTCL	259.00	259.00	260.80
12	SLDC Charges	1.41	1.41	1.41
	Power Purchase Cost including cost of transmission	2607.52	2833.09	2803.24
13	Employee Cost		493.34	
14	Repairs & Maintenance		67.33	
15	Admin, & General Expenses		123.59	
	Total O&M Expenses	595.62	684.26	659.44
16	Depreciation	122.99	166.65	140.81
	Interest & Finance charges			
17	Interest on Loans	101.38	84.96	84.96
18	Interest on Working capital	71.23	52.45	52.33
19	Interest on belated payment on PP Cost	0.00	0.00	0.00
20	Interest on consumer deposits	42.34	39.85	39.85
21	Other Interest & Finance charges	1.10	1.08	1.08
22	Less: interest and other expenditure capitalized	-6.00	0.00	0.00
	Total Interest & Finance charges	210.04	178.34	178.22

Sl. No.	Particulars	APR FY20		
		As Appd in TO 30.05.2019	As filed	As approved
23	Other Debits/Extraordinary items	0.00	13.99	10.09
24	Net Prior Period Expenses/Income (Debit/Credit)	0.00	0.00	0.00
25	Return on Equity	122.20	112.51	111.60
26	Taxation/MAT Credit	0.00	0.03	0.03
27	Funds towards Consumer Relations/Consumer Education	0.50	0.35	0.39
28	Other Income	-83.86	-72.71	-54.37
29	Net ARR	3575.01	3916.51	3849.46
30	Deficit of FY 18 carried forward	28.22	0.00	0.00
31	Add: Incentive for savings in losses beyond Lower target losses	0.00		10.09
32	Disallowance due to prudence check of capex for FY17 and FY18	0.00		0.00
33	ARR for FY20	3603.24	3916.51	3859.55
	Deficit in Revenue for FY20	0.00	-160.10	-103.15

4.3.1 Gap in Revenue for FY20:

As against an approved ARR of Rs.3603.24 Crores, the Commission, after the Annual Performance Review of MESCOM, decides to allow a revised ARR of Rs.3859.55 Crores for FY20. Considering the revised revenue of Rs.3756.41 Crores, the revenue gap for the FY20 is Rs.103.15 Crores.

Thus, the Commission decides to carry forward the gap of Rs.103.15 Crores of FY20 to the revised ARR for FY21, as discussed in the subsequent Chapter of this Order.



CHAPTER – 5

ANNUAL REVENUE REQUIREMENT FOR FY22

5.0 Annual Revenue Requirement (ARR) for FY22 - MESCOM's Filing:

MESCOM in its application dated 30th November, 2020, has sought approval of the Commission for its revised ARR and the revision of retail supply tariff for FY22. The summary of the ARR as proposed by MESCOM for FY22 is as follows:

TABLE – 5.1

Proposed ARR for FY22

Amount in Rs. Crores

Sl. No.	Particulars	As approved in TO 30.05.2019	As Filed by MESCOM
1	Energy at Generating Bus (With MSEZ) (MU)	6282.20	6499.74
2	Transmission Losses in %	3.102%	3.102%
3	Energy @ Interface in MU	6026.96	6298.12
4	Distribution Losses in %	10.80%	10.15%
5	Sales in MU		
	Sales to other than IP & BJ/KJ	3539.00	3706.57
	Sales to BJ/KJ	34.21	34.65
	Sales to IP	1802.84	1917.64
	Total Sales	5376.05	5658.86
6	Revenue at existing tariff in Rs. Crores.		
	Revenue from tariff and Misc. Charges	0.00	3035.83
	Tariff Subsidy to BJ/KJ	0.00	26.37
	Tariff Subsidy to IP	0.00	1114.15
	Total Existing Revenue including Miscellaneous Revenue	0.00	4176.35
	Expenditure in Rs. Crores.		
7	Power Purchase Cost including cost of transmission		
	Power Purchase Cost	2596.96	3195.82
	Transmission charges of KPTCL	291.32	315.43
	SLDC Charges	2.18	1.99
	Total Power Purchase Cost including cost of transmission	2890.46	3513.24
8	O&M Expenses		

	Employee Cost		556.97
	Repairs & Maintenance		79.16
	Admin & General Expenses		142.96
	Total O&M Expenses	726.20	779.09
9	Depreciation	154.54	187.90
10	Interest & Finance charges		
	Interest on Capital Loans	130.25	136.89
	Interest on Working capital loans	80.71	83.84
	Interest on belated payment on PP Cost	0.00	0.00
	Interest on consumer security deposits	50.14	48.59
	Other Interest & Finance charges	1.10	1.08
	Less: Interest & other expenses capitalized	-8.00	-2.10
	Total Interest & Finance charges	254.20	268.30
11	Other Debits	0.00	13.99
12	Net Prior Period Debit/Credit	0.00	0.00
13	Return on Equity	122.20	181.78
14	Funds towards Consumer Relations/Consumer Education	0.50	0.50
	Regulatory Assets as per T.O dated 04.11.2020	0.00	61.47
15	Other Income (Including income from MSEZ)	-100.04	-46.76
16	Total ARR	4048.06	4959.51
17	Deficit of FY20 carried forward (APR)	0.00	160.10
18	Net ARR	4048.06	5119.61
19	Revenue Deficit for FY22(6-23)	0.00	-943.25

MESCOM has requested the Commission to approve the revised Annual Revenue Requirement of Rs.5119.61 Crores for FY22, including the deficit of Rs.160.10 Crores for FY20. Considering the estimated revenue of Rs.4176.35 Crores from sale of power to the consumers at the existing retail supply tariff, MESCOM has projected the net revenue deficit of Rs.943.25 Crores for FY22. The MESCOM has proposed average increase in retail supply tariff by Rs.1.67 per unit in respect of all categories of consumers, including BJ/KJ and IP set consumers for FY22.

5.1 Annual Performance Review for FY20 & FY21:

As discussed in the preceding Chapter of this Order, the Commission has carried out Annual Performance Review for FY20 based on the audited accounts and other relevant records furnished by MESCOM. Accordingly, a deficit of Rs.103.15 Crores of FY20 is required to be carried forward to the ARR of FY22.

As regards APR for FY21, it is noted that the audited accounts for FY21 are yet to be finalized, the Commission decides to take up the APR of FY21, while taking up the revision of ARR / Retail Tariff, if any, for FY23.

5.2 Annual Revenue Requirement for FY22:

5.2.1 Capital Investments for FY22:

MESCOM Proposal

The MESCOM, in its Tariff application dated 30th November 2020, has considered the capex amount at 75% of capex plan of Rs.607.16 Crores for FY21 and Rs.521.89 Crores for FY22, as approved by the Commission in its MYT order dated 30th May 2019. MESCOM has submitted that it has considered the same amount for projecting the assets additions in the years FY21 and FY22. MESCOM in the replies, has also submitted the work-wise revised capex proposal under each head of accounts for FY22, in its reply to the preliminary observations of the Commission, as mentioned below:

TABLE-5.2

MESCOM's Revised Capex Proposals

Sl. No.	Particulars	Amount in Rs. Crores	
		Capex plan as Revised*	75% of Capex plan (as revised) as filed
1	E&I Works (Addl. Transformers, Link-Lines, HT/LT Re-conductoring, HVDS, UG/AB cable)	250.00	150.00
2	DTC metering,	2.70	2.70

3	Replacement of MNR/DC & Electromagnetic meters by Static meters and SMART metering	20.00	6.54
4	Replacement of faulty Distribution Transformers	5.00	5.00
5	Service Connection Works	60.00	45.00
	Sub- Total	337.70	209.24
6	Rural Electrification (General)		
a	Electrification of Hamlets	2.00	2.00
b	Energisation of general IP sets Including Ganga Kalyana	65.00	55.00
c	Electrification of BPL Households	0.25	0.25
	Sub- Total	67.25	57.25
7	Tribal Sub-Plan		
a	Electrification of Tribal Colonies	1.50	1.50
b	Energisation of IP sets	0.90	0.90
c	Improvement works in Tribal Colonies	0.05	0.05
	Sub- Total	2.45	2.45
8	Special Component Plan		
a	Electrification of S.C Colonies	1.00	1.00
b	Energisation of IP sets	1.15	1.15
c	Improvement works in SC Colonies	0.10	0.10
	Sub- Total	2.25	2.25
9	Tools & Plants & Computers	6.50	6.50
10	Civil Engineering Works	60.00	60.00
11	IT Infrastructure and Software	0.00	5.00
12	33 KV Station and Line Works (UG/AB cable)	100.00	30.00
13	Solar Roof top on Company Buildings	0.00	1.00
14	Software Acquired/Purchased for internal use - GPS Survey, Validation, Updation & Enumeration of IP Sets etc.,	4.00	3.00
	Total	580.15	376.69
Schemes under progress			
1	Deen Dayal Upadhyaya Grama Jyoti Yojana (DDUGJY)	0.00	30.00
2	IPDS: System improvement & Strengthening works in R-APDRP/statutory towns	0.50	0.00
3	IPDS: Gas insulated substations	30	5.00
4	IPDS (Integrated Power Development Scheme) Phase II-IT	0	25.00
5	Providing Infrastructure to regularized UIP	75	75.00
6	Improvement works for Model Electricity Village	5.2	5.20
7	Improvement works for Model Sub-division	5	5.00
	Total	115.7	145.20
	Grand Total	695.85	521.89
* By considering 75% of CAPEX plan as estimated achievement, as per Tariff order 2019.			



Commission's Analysis and decision:

The Commission takes note of the capex proposal of MESCOM, submitted for FY21 and FY22. The Commission, in its MYT Order 2019 dated 30th May 2019, has recognized the capex of at 75% of Capex plan proposed by MESCOM, as indicated below, subject to prudence check.

Amount in Rs.Crores		
Year	MESCOM Capex Plan	75% of Capex Plan
FY21	809.55	607.16
FY22	695.85	521.89

The Commission notes the MESCOM's previous years' achievement of capex vis-à-vis the approved capex as shown in the following table below:

TABLE – 5.3
MESCOM's Capex Achievements

Amount in Rs. Crores								
Particulars	Approved and Actual Capex incurred -MESCOM							
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Capital investment filed	249.85	281.40	262.33	827.33	320.40	595.40	803.50	1091.44
Capital investment approved by the Commission	249.85	281.40	262.33	353.89	288.90	289.40	763.50	818.58
Actual capital investment incurred as per audited accounts	130.92	193.17	252.07	230.10	288.38	419.39	839.17	501.61
Percentage of actual capital investment to the approved capital investment	52.40%	68.65%	96.09%	65.02%	99.82%	144.92%	109.91%	61.28%

Based on the previous years' achievements and the projected works to be undertaken as per the Gol / GoK schemes, to be partly met by the capital grants and the available internal resources, the Commission recognizes the expected capital expenditure proposal of MESCOM for Rs.695.85 Crores for FY22. However, the Commission decides to reckon Rs.521.89 Crores for the purpose of determination of Tariff for FY22, as approved in its MYT order dated 30th May 2019.



The Commission also directs MESCOM not to exceed the approved capex and to carry out the capital works without seeking any additional capex during the middle of the year and if there is any excess expenditure in any head of account, the same shall be met from the savings in any other head of expenditure within the capex amount approved by the Commission.

The Commission also directs MESCOM to maintain physical and financial progress in respect of the works carried out under Capex indicating timelines of completion, cost benefit ratio, etc. These details shall be furnished to the Commission as and when Commission directs.

The Commission directs MESCOM to take concrete measures to complete and capitalize the works in the prescribed time schedule, so that, its benefits are being passed on to the consumers effectively and capitalize the works proposed as far as possible during each financial year.

The Commission directs the MESCOM to put in sincere efforts towards achieving the following objectives of the proposed schemes, under capex on due priority and submit the quantified reports thereon:

1. Reducing distribution losses;
2. Reducing the HT:LT Ratio;
3. Reduce Transformer failures;
4. Segregate the loads in the feeders;
5. Increase the penetration of HVDS;
6. Reduce Power theft;
7. Bring programs for the awareness among the people on usage and conservation of energy;
8. Improve the sales to metered category;
9. Improve the Power factor of the IP set loads by installing switched capacitors of suitable capacity to the secondary of the transformers.



5.2.2 Sales Forecast for FY22:

A. Sales other than IP Sets

i. MESCOM's approach:

MESCOM, in its filing has stated that the Commission, in its Tariff Order, 2019 has approved the number of installations and energy sales for the Control Period FY20 to FY22. However, considering the actuals sales for FY20, MESCOM has revised the estimates for FY21 and FY22.

MESCOM has adopted the following methodology for making estimates of Number of installations and Energy Sales:

For all categories except BJ/KJ, LT-4a, LT-7 and HT-5, MESCOM has generally considered the CAGR for the period FY15 to FY20 or for the period FY17 to FY20. MESCOM has also compared the previous year growth rates. Wherever, the growth is negative or inconsistent, MESCOM has suitably modified the estimates. Further, while estimating energy sales for FY21, keeping in view the prevailing Covid-19 situation, MESCOM has suitably reduced the sales to various categories.

ii. The observations of the Commission on sales forecast for FY22:

The observations of the Commission on sales forecast for FY22, MESCOM's replies and the Commission's view thereon are discussed in the following paragraphs:

i) Data inconsistency:

1. At page 47 & 48, of the filing category-wise actual sales for some of the categories indicated for FY19 is not the same as approved by the Commission, in the Tariff Order 2020 dated 04.11.2020. The figures shall be reconciled with that of Tariff Order, 2020. Similarly, the actuals for FY19 in D-2 format shall be reconciled with data as approved in the Tariff Order, 2020.



MESCOM has replied that the difference is noticed in LT-4a, LT4b &c and LT-5 categories and has submitted that accordingly the sales figures are revised. However, the Commission notes that in the annexure P-1 of the reply, the changes are not incorporated.

2. For FY20, The LT –total at Pg. 47 is 4016.18 MU, whereas as per D-2 format it is 4016.16 MU. Similarly, the grand total at page- 48 is 5247.18 MU, whereas as per D-2 Format it is 5247.16 MU. The data shall be reconciled.

MESCOM has submitted that the difference has been reconciled and that the tables at Pg.47 & 48 are revised reconciling the figures. However, the Commission notes that in the annexure P-1 of the reply, the changes are not incorporated.

3. The sales approved by Commission for FY20 as per Tariff Order 2019 is 5101.65 MU, whereas the same is indicated as 5105.08 MU at page-117. Similarly, for FY22, it is 5436.41 MU, whereas the same is indicated as 5439.83 MU at page 118. This shall be reconciled as KPCL sales is already included in LT-2a sales.

MESCOM has submitted that it has revised the tables at Pg.117 & 118, reconciling the figures. However, the Commission notes that in the Annexure P-2 of the reply, the changes are not incorporated.

4. The category-wise revised sales indicated at page -117, for FY21 does not tally with that indicated in D-2 format. This shall be reconciled.

MESCOM has submitted that the figures are reconciled and has submitted the revised data.

5. LT (1) – BJ/KJ category: MESCOM has not considered any additions to the number of installations and has retained the FY20 data for both FY21 & FY22. In FY20, the installations have reduced by 6919 numbers in comparison to FY19 and upto September 2020, there is further

reduction by 1644 numbers. Hence, MESCOM was advised to consider revising the number of installations and sales for this category, besides analyzing the reasons for reduction in numbers.

MESCOM has attributed the reduction in number of installations due to consumers switching to LT-2a category and resorting to permanent disconnection. MESCOM has opined that the above trend may not continue in the future and therefore has retained the estimates as proposed in its filing.

6. In case of LT 6(b) category, though it is stated that 3-year CAGR, which is negative is adopted for estimating energy sales, MESCOM has retained the same sales for FY21 & FY22 at 66.47 MU, in spite of increase in number of installations. Reasons for the same shall be furnished.

MESCOM has submitted that from FY17 onwards, in spite of increase in number of installations, the sales have remained at the same level due to replacement of high mast lamps by LEDs and servicing new installations with LEDs.

7. In case of LT-7, the CAGR for both installations as well as energy sales is positive. MESCOM could have adopted lower of the CAGRs, instead of considering zero growth rate. MESCOM may consider revising the estimates for this category.

MESCOM has submitted that considering temporary nature of supply to this category, it has retained the actuals of FY20 for FY21 & FY22.

8. HT-2c category:

The Commission notes that, though there is a positive growth rate in the number of installations, the energy sales are retained at FY20 level, stating that the energy sales have a negative growth. MESCOM shall analyze the reasons for such decrease in sales in spite of growth in installations.



MESCOM has attributed the decrease in sales to consumers opting for open access.

9. HT-3 category: In spite of positive growth both in number of installations and sales, the estimates for FY21 & FY22 is retained at FY20 level. MESCOM may revise the estimates by considering lower of the CAGRs.

MESCOM has submitted that even though 5 no. of installations were serviced in FY20, in FY18 & FY19 there were no addition of installations. Hence, MESCOM has not proposed any increase in number of installations or energy sales.

10. At Pg-110 para 5.1.18 reference is made to HT-2c instead of HT-4. Similarly, at Pg-112 para 5.1.19 reference is made to LT-7 instead of HT-5. This may be corrected.

MESCOM has incorporated the above corrections.

11. Further, it is observed that, though MESCOM has stated that it has adopted 3-year CAGR, which is positive, the number of installations for HT-4 category for FY21 is retained at 63 i.e. actuals as on September 2020. MESCOM may consider revising the same.

MESCOM has submitted that the estimate is based on CAGR of 4.89% on actuals of FY20.

12. The Commission had observed that the growth rate for number of installations considered for HT-1, HT-2b, HT-2c, HT-3 & HT-4 is lower, as compared to the CAGR. MESCOM may consider revising the same.

MESCOM has submitted that Compared to 5-year CAGR and FY20 growth rate, it has considered 3-year CAGR as reasonable.

13. The Commission had observed that the energy sales growth rate considered for LT-2b, LT-3, LT-5, HT-2a, HT-2b and HT-2c is higher, considering the CAGR. MESCOM may consider revising the same.



MESCOM has submitted that after analyzing 5-year CAGR and FY20 growth rate, it has considered 3-year CAGR for LT-2b, LT-3, LT-5 categories and FY20 growth rate for HT-2a and HT-2b categories as reasonable.

ii) Validation of Sales:

To validate the sales, the Commission had directed MESCOM to furnish category-wise information in the specified format regarding number of installations & energy sales for FY19, FY20 and FY21.

MESCOM has furnished the above data.

The Commission has taken note of the replies furnished by MESCOM. The Commission's approach on the estimation of sales is discussed in the following paragraphs:

iii) The Commission's approach for estimating the number of installations and sales for FY22:

1) No. of Installations:

While estimating the number of installations (excluding BJ/KJ and IP), the following approach is adopted:

- a. The Commission has validated both the number of installations and energy sales to various categories considering the actuals as on 30th November, 2020 and has estimated the number of installations and sales for the remaining period reasonably. Accordingly, the base year estimation has been revised which has an impact on the estimates on the number of installations and sales for the FY22.
- b. Wherever the number of installations estimated by the MESCOM for the FY22 is within the range of the estimates based on the CAGR for the period FY15 – FY20 and for the period FY17 – FY20, the estimates of the MESCOM are retained.
- c. Wherever the number of installations estimated by the MESCOM for the FY22 is lower than the estimates based on the CAGRs for the period



FY15 – FY20 and for the period FY17 – FY20, the estimates based on the lower of the CAGRs for the period FY15 – FY20 and for the period FY17 – FY20 are considered.

- d. Wherever the number of installations estimated by MESCOM for the FY22 is higher than the estimates based on the CAGRs for the period FY15 – FY20 and for the period FY17 – FY20, the estimates based on the higher of the CAGRs for the period FY15 – FY20 and for the period FY17 – FY20 are considered.
- e. For LT-4b and HT-5 categories, the number of installations is retained at FY20 level and as on November, 2020 respectively, as there is negative growth.
- f. For LT-7 category, the estimates of MESCOM are retained.

Based on the above approach, the total number of installations (excluding BJ/KJ consuming ≤ 40 units/month and IP installations) estimated by the Commission for the FY22 is indicated in the table below:

Approved Number of installations

FY22	
Filed	Approved
2056407	2047531

2) Energy Sales:

- (i) For categories other than BJ/KJ and IP sets, generally the sales are being estimated, considering the following approach:
- a. The base year sale for FY21 as estimated by the MESCOM has been validated, duly considering the actual sale upto November, 2020 and modified suitably as stated earlier.
- b. Wherever the sale estimated by the MESCOM, for FY22, is within the range of the estimates based on the CAGR for the period FY15 to FY20 and for the period FY17 to FY20, the estimates of the MESCOM, are considered.



- c. Wherever the sales estimated by the MESCOM for FY22 is lower than the estimates based on the CAGRs for the period FY15 to FY20 and for the period FY17 to FY20, the estimates based on the lower of the CAGRs for the period FY15 to FY20 and for the period FY17 to FY20, are considered.
- d. Wherever sale estimated by MESCOM for FY22 is higher than the estimates based on the CAGRs for the period FY15 to FY20 and for the period FY17 to FY20, the estimates based on the higher CAGRs for the period FY15 to FY20 and for the period FY17 to FY20, are considered.
- e. In respect of LT-2b, LT-3, LT-4b LT-4c and LT-6 SL, the sales are estimated based on FY20 specific consumption.
- f. For LT-5 and LT-7 category, the estimates of MESCOM are retained.
- g. In respect of HT-2(a), estimates of MESCOM is reasonable and retained, as estimates based on CAGR is lower and based on OA analysis is higher. Further, 10% of OA sales in FY20 is considered as additional sales under new incentive scheme.
- h. For HT-2(b), the sales are worked out considering Open Access impact. Further, 10% of OA sales in FY20 is considered as additional sales under new incentive scheme.
- i. For HT 2(c) and HT-5, sales are estimated based on FY20 consumption. Further, in case of HT-2(c), 10% of OA sales in FY20 is considered as additional sales under new incentive scheme.

Based on the above approach, the sales (excluding BJ/KJ consuming \leq 40units/month and IP sales) estimated by the Commission, for the FY22, is indicated in the following table:

Approved Energy Sales*

in Million Units

FY22	
Filed	Approved
3643.47	3750.74

*Excludes KPCL sales and excludes MSEZ sales



(ii) Sales to BJ/KJ:

The break-up of sales to BJ/KJ installations considered for FY20 is as indicated below:

Particulars	No. of Installations	Consumption in MU	Specific consumption per installation per month (kWh)
Installations consuming less than or equal to 40 units	169140	34.65	17.07
Installations consuming more than 40 units and billed under LT2(a)	15103	14.91	82.27

The Commission notes that, the specific consumption works out to 17.07 units /installation/month for BJ/KJ installations consuming less than or equal to 40 units per month and 82.27 units /installation/month for BJ/KJ installations consuming more than 40 units per month.

Since, MESCOM has not proposed any additional installations during FY22, as there is no GoK policy to extend the benefit of free power to any new BJ/KJ installations, the number of BJ/KJ installations consuming less than or equal to 40 units per month and more than 40 units per month is retained as existing on 30.11.2020. Thus, the sales approved for FY22 is as indicated in the following Table:

Particulars	Million Units	
	No. of Installations	Sales-MU
Installations consuming less than or equal to 40 units	156808	32.12
Installations consuming more than 40 units and billed under LT2(a)	25109	24.79

B. Sales to IP sets – projections for ARR FY22;**MESCOM Proposal:**

MESCOM, in its tariff application, has projected IP sets consumption of 1,917.64 MU against 3,81,072 for FY22. For FY20, as per D-2 Format, MESCOM

has reported actual consumption of 1,728.92 MU against 3,44,482 number of IP set installations. The actual number of installations added to the system during FY20 is 18,295. MESCOM, in its current tariff filing, has considered addition of 18,295 installations for FY21 and FY22, since it is expecting addition of the same numbers, during FY21 and FY22 as well. Also, MESCOM has informed that, it has considered the actual specific consumption of FY20 while estimating the energy sales to IP installations for FY21 and FY22. Accordingly, the sales projected for FY21 and FY22 is 1,823.31 MU and 1,917.64 MU respectively.

Commission's Analysis and Decision:

- a) while verifying the computations of IP set, it is found that, the actual sales to IP set installations for FY20 works out to 1,728.92 MU (as detailed in Chapter-4 of this Order. Sales para). Based on the actual sales to IP sets, the specific consumption works out to 5,156 units per IP set installation per annum for the FY20, by considering the mid-year installations of 3,35,334 numbers.
- b) While estimating the energy sales to IP installations for FY22, MESCOM has informed that, it has considered the addition of the actual number of IP installations, which were added during the FY20. From the previous data, it could be seen that, the average number of installations added during the period April to November is around 10,000 and during the period December to March is around 6,000. Since, the normal life during the FY21 was badly affected due to the pandemic Covid-19, the average of actual number of installations added during the previous year's cannot be considered. Hence, the proposal of MESCOM in adding 18,295 installations which were actually added during FY20, for projecting the energy sales for FY21 and FY22, is not acceptable.
- c) Considering the data of FY18, FY19 and FY20, the Commission has found an average addition of 17,784 number of IP installations and keeping in view the circumstances arising out of Covid-19, the Commission considers the addition of 15,000 number of installations during FY21 and FY22. With the



addition of this number, the projections of number of IP installations are 3,59,482 (3,44,482 + 15,000) for FY21 and 3,74,482 (3,59,482 + 15,000) for FY22.

- d) MESCOM has reported that the actual specific consumption of 5,156 units / IP / annum, arrived FY20, is reckoned for projecting energy sales for FY21 and FY22. Hence, the revised sales for FY21 is worked out and the same is applied for projecting the energy sales to IP sets for FY22 by considering the specific consumption of FY20. The Commission has decided to consider the data of actual sales to IP sets for FY21, till November 2020 as furnished by MESCOM in its replies to preliminary observations, only provisionally for making the estimates for FY21.
- e) Based on the estimated number of installations and consumption for FY21, the details of energy sales projections to IP set installations for FY22, are as indicated below;

TABLE – 5.4
Approved Energy Sales to IP Sets for FY22

Particulars	FY22		
	As approved by the Commission in TO 2019	As submitted by MESCOM in its Tariff Application	As approved by the Commission (Revised)
No. of Installations	3,65,749	3,81,072	3,74,482
Mid-year number of Installations	3,58,287	3,71,925	366982
Specific consumption in units/installation/annum	5,032	5,156	5,156
Sales in MU	1,802.84	1,917.64	1,892.09

Accordingly, the Commission approves 1,892.09 MU as energy sales to IP-sets as against the MESCOM's projections of 1,917.64 MU, for the FY22. The number of installations approved for FY22 is 3,74,482. This approved IP set consumption for FY22 is with the assumption that the Government of Karnataka would release full subsidy to meet the revenue requirement on the approved quantum of IP sets sales. However, if there is any variation/ shortfall in the subsidy allocation by the GoK, the quantum of sales to IP sets of 10 HP and below shall be proportionately regulated. The MESCOM shall therefore, regulate



the number of hours of power supply to exclusive agricultural feeders with reference to the subsidy allocation by the Government.

- f) The Commission notes that MESCOM has taken up GPS survey of IP-sets to identify the defunct / not in use / dried up installations in the field and to arrive at the correct number of IP-sets by deducting such defunct / not in use / dried up IP-set installations from its account, on the basis of GPS survey results. The MESCOM has not furnished the data of GPS survey by reconciling the same with the number of installations as per the DCB Statement as on 31.03.2019 and 31.03.2020. As per Annexure-P4 submitted by MESCOM in its replies to preliminary observations, the number of IP installations as per DCB statement as on 31.03.2020 is 3,44,482. Whereas, the number of live / working IP sets are 2,50,858. Thus, the Commission notes that the data of GPS survey made available is incomplete and that the same inconsistent as compared with the data as per DCB statement, furnished by MESCOM and hence the Commission is unable to accept the same.
- g) In view of fact that the data of GPS survey of IP-sets is incomplete, the number of installations reckoned for FY20 and estimates for FY22 are subject to change based on the results of the GPS survey. **Accordingly, after completion of the survey and finalization of the report, MESCOM shall furnish the correct number of IP set installations duly deducting the number of dried up / defunct IP sets from the total number. Thereafter, any variation in the sales due to change in the number of installations would be trued up during the Annual Performance Review for the FY21.**
- h) While assessing the sales to IP sets for FY20, the Commission observed that the assessment is based on energy meters provided to the pilot DTCs. Though, MESCOM has taken up the work of bifurcation of agricultural feeders in its area, it has not taken up stringent measures to complete the work early. In the preliminary observations, the Commission had directed MESCOM to furnish the status of segregation the agricultural feeders to assess the sales to IP set installations based on the energy meter readings provided to such agricultural feeders. **The Commission notes with**



displeasure that, the replies furnished by MESCOM are not satisfactory wherein MESCOM has simply mentioned that it has taken up the bifurcation of agricultural feeders in its area. MESCOM has neither furnished the current status of work nor has furnished any action plan for completing the work. The Commission, directs MESCOM to furnish probable date of completion of work with reference to the action plan, within 2 (two) months from the date of this Order.

- i) MESCOM shall make arrangements for completing the work of segregation of agricultural feeders in its area early and start assessing the sales to IP set installations on the basis of the energy meters provided to the bifurcated feeders. In view of the non-completion of the work of bifurcation of IP Set feeders, the Commission would consider revision of the same, based on the GPS survey data. Hence, MESCOM is directed to submit the final survey Report within 3 (three) months from the date of this Order. The survey data should be reconciled with the DCB Statement data and thereafter report the total IP-set consumption to the Commission, month-on month regularly, as per the format prescribed in the previous tariff orders of the Commission.

Based on the above discussions, the category-wise approved number of installations for the FY22 vis-à-vis the estimates made by the MESCOM is indicated below:

TABLE – 5.5
Category-wise approved number of installations for FY22

Tariff Category	Consumer Category	No. of Installations	
		As filed by MESCOM	As approved by the Commission
LT-1 (a)	Bhagya Jyoti < =40 units	169140	156808
LT-1 (a)	Bhagya Jyoti >40	15103	25109
LT-2a	Domestic AEH	1693161	1676077
LT-2b	Pvt. Institutions	3759	3725
LT-3	Commercial - Applicable to areas coming under VPs	236999	235226
LT-4 (a)	IP sets - Less than 10 HP - General	381072	374482
LT-4 (b)	Irrigation Pump sets - More than 10 HP	165	165

LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	5688	5681
LT-5	Lt Industries	34900	34900
LT-6	Water Supply	17770	17770
LT-6	Street Lights	28683	28683
LT-7	Temporary Power Supply	17638	17638
	LT Total	2604078	2576264
HT-1	HT Water Supply	131	131
HT-2 (a)	HT Industries	1083	1083
HT-2 (b)	HT Commercial	909	894
HT-2(c)	Pvt. Hospitals & Educational Inst.	303	329
HT-3(a) & (b)	HT Irrigation & LI Societies	33	35
HT-4	Res. Apartments	66	67
HT-5	Temporary	16	18
	HT Total	2541	2557
	*Grand Total	2606619	2578821
	Categories other than IP sets and BJ/KJ consuming less than or equal to 40 units/month/installations	2056407	2047531
	IP sets and BJ/KJ consuming less than or equal to 40 units/month/ installations	550212	531290

**Total excludes SEZ*

Accordingly, the category-wise approved energy sales for the FY22 vis-à-vis the estimates made by MESCOM is indicated in the following Table:

TABLE – 5.6
Category-wise approved Energy sales

Tariff Category	Consumer Category	Million Units	
		As filed by MESCOM	As approved by the Commission
LT-1 (a)	Bhagya Jyoti < =40 units	34.65	32.12
LT-1 (a)	Bhagya Jyoti >40	14.91	24.79
LT-2a	Domestic AEH incl. KPCL.	1592.31	1610.46
LT-2b	Pvt. Institutions	15.60	15.42
LT-3	Commercial – Applicable to areas coming under VPs	432.89	420.28
LT-4 (a)	IP sets – Less than 10 HP – General	1917.64	1892.09
LT-4 (b)	Irrigation Pump sets – More than 10 HP	0.88	0.88
LT-4 ©	Private Horticulture Nurseries, Coffee & Tea Plantations	9.28	9.74
LT-5	Lt Industries	138.16	138.16

LT-6	Water Supply	140.20	147.28
LT-6	Street Lights	66.47	77.29
LT-7	Temporary Power Supply	20.01	20.01
	LT Total	4383.00	4388.52
HT-1	HT Water Supply	102.45	102.89
HT-2 (a)	HT Industries	656.61	689.55
HT-2 (b)	HT Commercial	216.72	221.01
HT-2©	Hospitals / Educational Institutions	139.87	157.71
HT-3(a) & (b)	HT Irrigation & LI Societies	69.68	88.90
HT-4	Res. Apartments	24.03	22.55
HT-5	Temporary	3.40	3.83
	HT Total	1212.76	1286.44
	Sales to KPCL	2.74	2.74
	*Grand Total	5598.50	5677.70
	Categories other than IP sets and BJ/KJ consuming less than or equal to 40 units/month/installations	3646.21	3753.49
	IP sets and BJ/KJ consuming less than or equal to 40 units/month/installations	1952.29	1924.21

* Excludes sales to SEZ and includes KPCL sales

Note: The above sales are being approved, keeping in view that in FY22 normalcy would be restored after the outbreak of COVID-19 pandemic, which is subject to a mid-term review in October-21.

In addition to the above, 61.149 MU being the energy sold to MSEZ at interface point is considered, as approved in the MSEZ Order.

5.2.3 Distribution Losses for FY22:

MESCOM's Submission:

MESCOM in its present filing has proposed to achieve the distribution loss of 10.15% for FY22 as against the Commission approved distribution loss target in its MYT Tariff Order dated 30th May, 2019 as under:

Distribution Loss-FY22 – MESCOM's Submission

Figures in percentage	
Projected Distribution loss	FY22 (%)
Upper limit	11.05
Average	10.80
Lower Limit	10.55

Commission's Analysis and Decisions:

The Commission takes note of the actual distribution loss of 10.07% achieved by MESCOM, as against the approved loss target of 11.00% for FY20, for which the Commission as per the provision of MYT Regulations has allowed the incentive for better performance as discussed in the previous chapter.

The Commission in its Tariff Order dated 30th May, 2019 had fixed the distribution loss for FY20 to FY22, as detailed below.

(figures in %)

Particulars	FY21	FY22
Upper limit	11.15	11.05
Average	10.90	10.80
Lower Limit	10.65	10.55

Further the Commission, in its Tariff Order dated 4th November, 2020, had re-determined the distribution loss for FY21 based on the achievement made by MESCOM, in reduction of losses and the capital investment made during the previous year as under:

(figures in %)

Revised Distribution Loss target for FY21	FY21
Upper limit	10.25
Average	10.00
Lower Limit	9.75

MESCOM in its current filing, has proposed to achieve 10.15% of distribution loss against the target distribution loss levels of 10% for FY21 fixed by the Commission, in its Order dated 04.11.2020 with upper and lower loss target, as indicated below:

Projected Distribution losses for FY22-MESCOM Submission

Particulars	FY22
Upper limit	10.25%
Average	10.00%
Lower Limit	9.75%

The performance of MESCOM in achieving the distribution loss targets set by the Commission in the past eight years is as follows:

TABLE – 5.7
Approved & Actual Distribution Loss-FY13 to FY20

Particulars	Figures in Percentage							
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Approved Distribution loss	12.00	11.75	11.50	11.25	11.15	11.05	10.95	11.00
Actual distribution loss	11.88	11.93	11.56	11.50	11.40	11.32	13.29	10.07

The Commission notes that, as compared to the distribution loss of 11.88% for FY13, MESCOM has been able to achieve the losses to the level of 10.07% in FY20, a reduction of 1.81% by FY20 over FY13.

MESCOM, in its filing, has submitted that, it will be able to achieve the distribution loss levels of 10.15% as against the targeted distribution loss of 10.80% as fixed by the Commission for FY22 in the MYT Tariff Order dated 30.05.2019, even though the loss target for FY21 has been re-determined by the Commission in its Tariff Order 2020 dated 04.11.2020 at 10% for FY21. It is observed that the Commission has been allowing the substantial amount of capital expenditure as incurred by MESCOM for strengthening of its distribution network aimed at further reduction of loss levels. Most of the capex spent on the works like HVDS, E&I work, NJY, metering, DDUGJY & IPDS, conversion of OH lines by UG cables should enable the MESCOM, not only to strengthen its infrastructure for improved reliability and quality of power supply but also to reduce the distribution loss considerably.

Hence, in view of the substantial capital investment made upto FY20 and the proposed capex for FY21 and FY22, the loss target proposed by MESCOM at 10.15% for FY22 is not acceptable, when the actual distribution loss of 10.07% has already been achieved during FY20 itself. The revised Distribution loss projection 10.15% made by MESCOM for FY22 with the actual distribution loss of 10.07% achieved during FY20 is not acceptable. The Commission notes that MESCOM while projecting the loss target for FY22, has not considered the actual loss of 10.07% achieved in FY20 and the revised loss of 10.00% re-determined by the Commission for FY21, in its Tariff Order dated 04.11.2020.

The Commission in its preliminary observation has directed MESCOM to propose the reasonable/Justifiable Distribution loss target in future taking into consideration the capex plan proposed and the loss target to be achieved under PAT scheme in filing the tariff application. The reply submitted by MESCOM in this regard is not satisfactory.

In the light of the above observation and based on the achievement made by MESCOM in reduction of losses during the previous years and the capex so far incurred besides the proposed capex for FY21 and FY22, the Commission decides to refix the following distribution loss targets for FY21 and FY22 as under:

TABLE – 5.8
Approved Distribution Losses for FY 21 and FY22

Particulars	Figures in Percentage	
	FY21	FY22
Upper limit	9.92	9.52
Average	9.67	9.27
Lower limit	9.42	9.02

Accordingly, MESCOM shall achieve the above loss levels approved by the Commission.

5.2.4 Power Purchase for FY22

The ESCOMs, in their tariff applications have submitted the D-1 Format, wherein the requirement of power purchase for the FY22 has been furnished. The consolidated statement showing the energy requirement for FY22, is shown hereunder:

TABLE – 5.9
Requirement of Energy as filed by ESCOMs

ESCOMs	Energy requirement for FY22 (in MU)
BESCOM	29955.952
MESCOM	6499.741
CESC	8060.886
HESCOM	14491.674
GESCOM	8911.003
Total	67919.256

MESCOM's submission:

The MESCOM has submitted its power purchase requirement for the year FY22 based on the projected sales, as follows:

TABLE – 5.10**Energy Requirement as filed by MESCOM**

Particulars	FY22
Sales in (MU)	5658.86
Distribution losses in %	10.15
Energy at IF point (MU)	6298.12
Transmission Losses in %	3.102
Energy Required to meet the sales of MESCOM (MU)	6499.74

5.2.5 Sources of Power:**MESCOM's submission;**

The MESCOM, in its tariff application, has furnished the sources of power to meet the requirement of Power for FY22. Also MESCOM has submitted the basis for considering the availability of power, from different sources, as follows:

- (i) The availability/ power procurement from KPCL Thermal and Hydel stations is on the basis of Power Purchase Agreement dated 22.05.2010, based on norms approved by the State Commission, vide its order dated 03.08.2009 and 25.02.2015 and also by considering the data proposed by KPCL through e-mail dated 18.11.2020.
- (ii) Availability of power from Central Generating Stations (CGS) is as per the Ex-Bus generation details furnished by the CGS to the CEA, for preparation of LGBR. The quantum of energy to be drawn by Karnataka is based on the percentage of allocation to the State.
- (iii) In respect of Major IPPS, RE and other sources such as UPCL, RE generators and others sources such as Jurala Power & TB Dam Power etc., the availability is reckoned based on the contracted capacity.

- (iv) The Capacity of the existing sources and the envisaged additional sources vis-à-vis the energy requirement for the entire State, fixed charges and variable charges are indicated in the tariff application of MESCOM. The same are shown in the following Tables.

TABLE – 5.11**Power purchase requirement of MESCOM for FY22**

SOURCES	FINANCIAL YEAR 21-22		
	Energy in MU	Cost in Rs Crs.	Avg. cost Per unit Rs./unit
KPCL Hydel Energy	1071.44	141.88	1.32
KPCL Thermal Energy	1097.65	765.99	6.98
CGS Energy	1457.92	738.88	5.068
UPCL	565	296.70	5.25
Renewable Energy/Bundled power	1609.20	645.63	4.01
Other State Hydel	15.90	5.31	3.34
PGCIL & POSOCO Charges	-	254.83	-
KPTCL Transmission & SLDC	-	317.42	-
Allocation to other ESCOMs	682.63	346.60	5.08
TOTAL	6499.74	3513.24	5.41

Commission's analysis and decisions

The energy requirement of the ESCOMs, including MESCOM, is being met from the following sources, through long-term Power Purchase Agreement (PPAs) with:

- Karnataka Power Corporation Limited (KPCL) Generating stations;
- Central Generating Stations (CGS);
- Major Independent Power producers (IPPs) and
- Renewable Energy (RE) sources.

To arrive at the available quantum of energy and power for the year FY22, the Commission has considered the availability as furnished by KPCL for KPCL Generating Stations and availability as furnished by the SRPC for Central Generating Stations. The availability of CGS stations is based on the share of Karnataka, as notified from time to time.

In the case of availability from the Renewable Energy sources, the actual generation capacity contracted by the ESCOMs, as indicated in D-1 Format and as per the contracted PPAs, has been considered. The availability from the other sources such as Jurala Hydel Station and TB dam Power Stations of Telangana State has been considered based on Karnataka's share in the installed capacity and as per the contracts executed with these generators.

The availability as furnished by the KPCL in respect of Yelahanka Combined Cycle Power Plant (YCCPP), having a capacity of 350 MW respectively has not been considered, as the said generating station is yet to be synchronized with the grid and the CoD is yet to be declared.

Based on the above availability criteria, the energy requirement for the State, with reference to the sales target approved for FY22, is given in the following Table.

TABLE – 5.12
ABSTRACT OF POWER PURCHASE REQUIREMENT OF THE STATE
FOR THE YEAR FY22

SOURCES	FINANCIAL YEAR 21-22		
	Energy in MU	Total Cost in Rs Crs.	Avg. cost per unit Rs./unit
KPCL Hydel Energy	11396.97	1302.43	1.14
KPCL Thermal Energy	15199.67	9181.17	6.04
CGS Energy	18954.98	8955.81	4.72
UPCL	4200	2427.08	5.78
Renewable Energy:	16962.22	7435.62	4.38
Other State Hydel	189.17	63.12	3.34
Bundled Power	3949.51	1787.43	4.53
PGCIL & POSOCO Charges	-	2043.20	-
KPTCL Transmission & SLDC	-	4310.705	-
TOTAL	70852.52	37506.56	5.294

5.2.6 MESCOM's Power Purchase Cost & Transmission charges for FY22:

MESCOM's Submission

MESCOM has submitted the Power Purchase requirement along with the cost including the transmission charges and SLDC charges, in D-1 Format. MESCOM

has sought approval of the Commission for purchase of power to an extent of 6499.74 MU at a cost of Rs.3513.24 Crores, which includes transmission and SLDC charges, for the year FY22.

As regards the cost of power, the MESCOM has submitted that, same is considered as per the norms defined in contracts (PPAs)/ Regulations and based on the tariff indicated by KPCL for its Stations and the tariff determined by the CERC in respect of Central Generating Stations, DVC Stations and UPCL stations.

Commission's analysis and decisions:

After a detailed analysis of the power purchase costs claimed by the MESCOM, the Commission has arrived at the power purchase quantum and cost, to be allowed in the ARR for FY22. The basis for computation of power purchase quantum and cost for the year FY22 is as indicated below:

1. Quantum of Power: Based on the approved sales and the allowable distribution losses, the requirement of Power for the MESCOM, for the year FY22, is worked out as detailed below:

TABLE – 5.13

**Power Purchase requirement for the
MESCOM for the year FY22**

Particulars	FY22
Sales (MU)	5677.69
Distribution losses (%)	9.27%
Energy at IF point (MU)	6257.79
Transmission Losses (%)	2.978%
Energy at generation bus Required to meet the sales target of MESCOM (MU) including MSEZ.	6494.955

2. While approving the cost of power purchase, the Commission has determined the quantum of power from various sources in accordance with the principles of merit order dispatch based on the ranking of all approved sources of supply.



3. The rates considered in respect of the KPCL stations are based on the Commission's order dated 03.08.2009 for hydel stations, except for Shivasamudram, Shimsha, Munirabad & MGHE for which separate rates, as per Order dated 25th February 2015, are applicable.
4. The variable costs of State thermal stations and UPCL, are considered based on the recent power purchase bills passed by the MESCOM and also based on the recent landed cost of fuel and other variable components.
5. The fixed charges and the variable charges in respect of the Central Generating Stations, UPCL Stations and the DVC Stations have been considered based on the Tariff determined by the CERC as per the CERC norms. However, the energy has been considered from these units by limiting the quantum of energy as per the requirement of ESCOMs, to meet the sales target on the basis of Merit Order Despatch. It is expected that any surplus energy available from tied up sources of energy would be traded by the ESCOMs through PCKL on commercial principles. Similarly, any requirement over and above the quantum approved in this Tariff Order, shall be procured from the contracted/ tied up sources only.
6. The variations, if any, in the costs allowed now will be considered during the FAC exercise / Annual Performance Review of FY22.
7. The Commission has allowed the KPTCL transmission charges and SLDC charges to be paid by the ESCOMs in the Power Purchase Cost and is as detailed below:

Name of ESCOM	KPTCL Transmission Charges in Rs. Crores	SLDC Charges in Rs. Crores
BESCOM	2185.129	17.548
MESCOM	318.187	2.585
CESC	490.918	3.982
HESCOM	790.923	6.389
GESCOM	490.918	4.128
Total	4276.075	34.63

8. The CERC (Sharing of Inter State Transmission charges and loss) Regulations 2020 has come into force with effect from 01.11.2020 with change in the methodology of calculation. The PoC charges payable by ESCOMs has



been computed by considering amounts claimed by PGCIL for the month of November 2020 onwards.

9. Based on the requirement of energy allowed and the power allocation given by the Government of Karnataka, the source wise Power Purchase quantum and costs as approved in the ARR of MESCOM for the year FY22 as shown in Annexures - 1 & 2.
10. The consolidated power purchase cost for the year FY22, as approved by the Commission, is shown the following Table:

TABLE – 5.14

**ABSTRACT OF POWER PURCHASE APPROVED
FOR MESCOM FOR THE YEAR FY22**

SOURCES	FINANCIAL YEAR 21-22		
	Energy in MU	Cost in Rs. Crores	Cost Per unit In Rs.
KPCL Hydel Energy	1811.44	185.184	1.02
KPCL Thermal Energy	1287.90	771.205	5.99
CGS Energy	1545.84	730.373	3.55
UPCL	224.83	129.92	5.78
Renewable Energy:	1297.47	557.43	4.30
Other State Hydel	15.89	5.30	3.34
Total Bundled Power	311.59	141.042	4.53
PGCIL & POSOCO Charges	-	217.56	-
KPTCL Transmission & SLDC Charges	-	320.772	-
TOTAL	6494.955	3058.79	4.709

Thus, the Commission hereby approves power purchase quantum of **6494.955 MU** at a cost of **Rs.3058.79 Crores**, for FY22. The breakup of source-wise Power and the cost thereon, is shown in Annexure- 1 and 2 of this Order.

MESCOM shall regulate the quantum and cost of power, as per the above approval of the Commission. However, since the power purchase costs are uncontrollable, any excess quantum or cost will be considered for trueing up in Annual Performance Review for FY22.



5.2.7 RPO Compliance for FY21 & FY22:

MESCOM was directed to furnish the estimates for complying with solar and non-solar RPO for FY21, including any cost implication for purchasing RECs, if any.

Furnishing the details, MESCOM has informed that in FY21 there would be 0.90% shortfall in Non-Solar RPO, which would be set-off by excess over solar RPO.

The Commission has noted the reply of MESCOM.

MESCOM has furnished the RPO for FY22 in its filing. It is estimated that MESCOM would be able to meet 11.04% of non-solar RPO against the target of 13% and that the shortfall would be met by excess solar energy. Regarding solar RPO, it is submitted that they would be able to meet 15.12% against the target of 10.50% in FY22.

5.2.8 O & M Expenses for FY22:

MESCOM's Proposal:

The MESCOM in its Petition, has requested the Commission to consider the projected O&M expenses of Rs.779.09 Crores as against Rs.726.20 Crores approved by the Commission in its Tariff Order dated 30th May, 2019 for FY22. MESCOM has projected the employee cost, R&M Expenses and A&G Expenses considering the following:

- Actual O&M expenses in the year FY19 as the base.
- Consumer growth index of 3.24% (3 years CAGR).
- Weighted average inflation index of 7.96%.
- Efficiency factor of 1%.

The MESCOM has computed Weighted average inflation index of 7.96% based on the WPI and CPI figures from 2008 to 2019 as per the formula adopted by CERC.



For projecting the employee cost for the year FY21 and FY22, MESCOM has considered the O&M expenses of Rs.392.40 Crores, incurred during FY19 which includes Pension and gratuity contribution at 42.53% and 6.08% respectively, with effect from 01.04.2016. MESCOM has informed that the pension and gratuity contribution rates have been revised to 57.30% and 6.08% respectively, w.e.f. 01.04.2017. Thus, MESCOM has considered Rs.411.26 Crores as the base data for projecting the employee costs for FY21 and FY22 considering the actual employee cost of Rs.392.40 Crores incurred during FY19 and the difference of P&G Trust contribution at 14.77% (57.30%-42.53%) pertaining to FY19 but paid to the trust in FY20.

Further, MESCOM has considered Rs.6.60 Crores as additional cost expected to be incurred for 9 months during FY22 due to recruitment of Jr. Power Men during FY22.

MESCOM has projected an expense of Rs.79.16 Crores and Rs.142.96 Crores towards R&M Expenses and A&G expenses for FY22 based on the actual R&M expenses and A&G expenses of Rs.59.14 Crores and Rs.106.84 Crores, respectively, incurred during FY19 and adopting the norms by considering the inflation index and consumer growth rate for FY22.

Based on the above assumptions, the MESCOM has sought the O & M expenses for FY22 as detailed below:

TABLE - 5.15
O&M Expenses for FY22: MESCOM's Proposal

Particulars	Amount in Rs. Crores
	FY22
Employee Costs	556.97
R&M Expenses	79.16
A&G Expenses	142.96
Total O&M Expenses	779.09

Commission's analysis & decision:

The Commission notes the O&M expenses claimed by MESCOM for FY22. The Commission, in its preliminary observation, had observed that MESCOM has claimed an amount of Rs.84.79 Crores towards 'Other Professional charges' for

FY20 and that MESCOM shall furnish the reasons for claiming a higher amount of Rs.89.69 Crores for FY22.

MESCOM, in its reply to the preliminary observation, has submitted that for FY22 the 'Other Professional charges' has been calculated on normative basis with inflation rate of 10.20% on actual expenditure incurred during FY19 as base. Accordingly, for FY22 it is projected as Rs.89.68 Crores.

The Commission in its preliminary observations, had noted that MESCOM has claimed an amount of Rs.15.04 Crores towards conveyance and 'Vehicle Hire Charges' for FY22. The Commission, in its earlier Tariff Order had directed MESCOM to control the expenses under A&G head of account. MESCOM was directed to explain the reason for incurring higher expenses under this head of account, besides furnishing the details about the expenditure incurred on behalf of regular employee's and service station maintenance along with number of vehicle hired.

MESCOM in its reply has submitted that "Vehicle Hire Charges" for FY22 has been calculated on normative basis with inflation rate on actual expenditure of Rs.9.87 Crores incurred during FY19. Accordingly, with the inflation rate of 10.20% MESCOM has projected Rs.15.04 Crores towards conveyance and 'Vehicle Hire Charges' for FY22.

The Commission has noted that MESCOM has claimed an amount of Rs.124.53 Crores towards un-controllable additional employees cost (Terminal Benefits) for FY22. MESCOM was directed to furnish the detailed computation sheet for having incurred / proposed expenditure under this head for FY22. But, MESCOM did not furnish the computation sheet and other details as directed by the Commission.

The Commission notes that the actual O&M expenses of Rs.684.22 Crores for FY20 also includes the contribution towards P&G Trust A&G expenses. Hence, the Commission decides to consider the actual O&M expenses of Rs.684.22 Crores, as per the audited accounts (all inclusive) for FY20 as the base year data (being the latest data available as per the audited accounts) to arrive at the O&M expenses FY21 and FY22.

The Commission as per the norms specified under the provisions of MYT Regulations, for computation of O&M expenses, has considered the consumer growth rate (CPI) 3-year CAGR and inflation rate index based on the methodology followed by the CERC.

The Commission has computed the O & M expenses for FY22, duly considering the base year actual O&M expenses of Rs.558.75 Crores for FY19 which is inclusive of contribution to P&G Trust as per the audited accounts for FY19. Further, the Commission has considered the approved O&M expenses for FY20 as per APR and the O&M expenses as per ARR for FY21 to arrive at the allowable O & M expenses for FY22. Considering the Wholesale Price Index (WPI) as per the data available from the Ministry of Commerce & Industry, Government of India and Consumer Price Index (CPI) as per the data available from the Labour Bureau, Government of India and adopting the methodology followed by the CERC, with CPI and WPI in a ratio of 80:20, in line with the methodology followed by the Commission, in its earlier Tariff Orders, the allowable annual escalation rate for FY22 is computed as follows:

TABLE - 5.16
Computation of Inflation Index for FY22

Year	WPI	CPI	Composite Series	Yt/Y1=Rt	Ln Rt	Year (t-1)	Product [(t-1)* (LnRt)]
2008	80.0	141.7	129.36				
2009	81.9	157.1	142.06	1.10	0.09	1	0.09
2010	89.7	175.9	158.66	1.23	0.20	2	0.41
2011	98.2	191.5	172.84	1.34	0.29	3	0.87
2012	105.7	209.3	188.58	1.46	0.38	4	1.51
2013	111.1	232.2	207.98	1.61	0.47	5	2.37
2014	114.8	246.9	220.48	1.70	0.53	6	3.20
2015	110.3	261.4	231.196	1.79	0.58	7	4.06
2016	110.3	274.3	241.5	1.87	0.62	8	4.99
2017	114.1	281.2	247.78	1.92	0.65	9	5.85
2018	118.9	294.8	259.62	2.01	0.70	10	6.97
2019	121.2	317.4	278.16	2.15	0.77	11	8.42
A= Sum of the product column							38.75
B= 6 Times of A							232.49
C= (n-1) *n*(2n-1) where n= No of years of data=12							3036.00
D=B/C							0.08
G (Exponential factor) = Exponential (D)-1							0.0796
e=Annual Escalation Rate (%) = g*100							7.9586

For the purpose of determining the normative O & M expenses for FY22, the Commission has considered the following:

- a) The actual O & M expenses incurred as per the audited accounts for FY19 inclusive of contribution to the Pension and Gratuity Trust as the base year O & M expenses and the approved O & M expenses for FY20 and FY21 to determine the O&M expenses for FY22.
- b) The three year Compounded Annual Growth Rate (CAGR) of the number of installations considering the actual number of installations as per the audited accounts upto FY20 and as projected by the Commission for FY22 at 2.87%.
- c) The weighted inflation index (WII) at 7.9586% as computed above.
- d) Efficiency factor at 1% as considered in the earlier Tariff Orders.

The Commission has computed the above parameters in line with the methodology as followed in the earlier Tariff Orders of the Commission and the relevant Orders of the Commission in various Review Petitions.

As per the norms specified under the MYT Regulations, the O & M expenses are controllable expenses and the distribution licensee is required to regulate these expenses within the approved values.

As per the decision of the Commission, in the earlier tariff order, the distribution licenses are required to justify any increase in employees cost to commensurate the increase in real employee's productivity. **Hence, the Commission reiterates and expects that with the increase in the emoluments, the improved productivity of the employees would be reflected in terms of increased sales, reduction of losses and improved revenue collections.** MESCOM, while seeking increased O & M expenses shall demonstrate that there is increased productivity resulting in increase in volume of sales and consequent increase in the overall revenue.

Accordingly, the normative O & M expenses for FY22 are as follows:



TABLE - 5.17
Approved O & M expenses for FY22

Particulars	FY22
No. of Installations	2578821
CGI based on 3-year CAGR in %	2.87%
Inflation index in %	7.9586%
On Base year O&M expenses for FY19 including the P&G Trust contribution	558.75
Allowable O&M expenses by considering the approved O & M expenses for FY20 and FY21 with P&G contribution = O&M Index= O&M (t-1) *(1+WII+CGI-X) in (Rs. Crores)	796.62
Total allowable O & M Expenses in Rs.Crores	796.62

The Commission has not considered the additional contributions to P&G Trust for FY22, as the base year data of O&M expenses for FY19 includes the above charges.

Thus, the Commission decides to approve total O&M expenses of Rs.796.62 Crores for FY22.

5.2.9 Depreciation:

MESCOM's Proposal:

The MESCOM, in its Petition, has claimed amount of Rs.187.90 Crores towards depreciation as against Rs.154.54 Crores, approved by the Commission in its Tariff Order dated 30th May, 2019 for FY22, as per the norms specified under the MYT Regulations.

MESCOM, while estimating the depreciation for FY22, has considered the following:

- Weighted average of the depreciation with reference to average of the opening and closing gross block of assets of FY20.
- The depreciation amount on the assets created out of Government grants and consumer contribution of Rs.515.17 Crores till FY16, has not been included in the depreciation estimations for the years FY21 and FY22.
- The assets created out of Government grants and consumer contribution from FY17 to FY20 is Rs.630.25 Crores is included in the gross

block for FY20. Further, the average asset of FY17 & FY18, i.e. Rs.91.57 Crores have been added to the gross block during FY21 and FY22. The same has been deducted from Gross Block Assets while computing depreciation.

- iv. Further, as per the prevailing policy, depreciation on the Assets created out of grants and consumer contribution, has been deducted accordingly.

Further, MESCOM, in its Petition, has considered CAPEX plan of Rs.695.85 Crores for FY22. MESCOM has considered 75% of the CAPEX of Rs.521.89 Crores as the capital expenditure for FY22. MESCOM has submitted that, it has considered a weighted average rate of depreciation at 5.28% on the average of the opening & closing balances of value of assets for projecting the depreciating amount for FY22.

Accordingly, MESCOM has claimed the depreciation of Rs.187.90 Crores for FY22, after deducting the depreciation on the assets created out of Government grants and consumer contributions.

Commission's analysis and decision:

The Commission has determined the depreciation for FY22, in accordance with the provisions of the MYT Regulations and amendments issued thereon, considering the following:

- a) The actual rate of depreciation of category-wise assets is computed considering opening and closing balances of the gross block of the fixed assets and the depreciation, as per the audited accounts for FY20.
- b) The actual rate of depreciation of assets, so arrived at, is considered for allowing the depreciation on projected value of gross block of average of opening and closing balance of fixed assets, made on the basis of Commission approved capex and likely categorization of asset thereon for FY21 and FY22.



c) The depreciation on account of assets created out of consumer's contribution / grants are considered (deducted) based on the average balance of fixed assets for FY22. Accordingly, an amount of Rs.44.02 Crores of depreciation on the assets created out of consumer contributions / grants has been deducted to arrive at the net depreciation for FY22.

Accordingly, the depreciation for FY22 are as follows:

TABLE - 5.18
Approved Net Depreciation for FY22

Amount in Rs. Crores	
Particulars	Depreciation
Buildings	4.74
Civil	0.20
Other Civil	0.03
Plant & Machinery, Line & Cable Network	213.96
Vehicles	1.34
Furniture	0.58
Office Equipment	1.45
Released assets reused	0.00
Land	0.00
Intangible Assets	8.49
Gross Depreciation	230.79
Less: Depreciation on assets created out of Consumers' contribution / grant	44.02
Net Depreciation for FY22	186.77

Thus, the Commission decides to approve an amount of Rs.186.77 Crores towards net depreciation for FY22.

5.2.10 Interest on Capital Loans:

MESCOM's proposal:

MESCOM in its Petition, has claimed Rs.136.89 Crores as against Rs.130.25 Crores as approved by the Commission in its Tariff Order dated 30th May, 2019 towards interest on Capital Loans for FY22. MESCOM has considered Rs.998.79 Crores as the opening balance of loans for FY21. Further, MESCOM has submitted that it has considered addition of capital loan amount of Rs.325 Crores and Rs.300 Crores towards CAPEX for FY21 and FY22 respectively, as approved by the

Commission, in its Tariff Order, 2019 and repayment of loan of Rs.149.57 Crores and Rs.159.57 Crores for computation of Interest on Capital loans for FY21 and FY22 respectively, at an interest rate of 11%. The Computation of interest on loans by MESCOM for FY22 is as under:

TABLE – 5.19
Interest on Capital Loan - MESCOM's submission for FY22

Particulars	Amount in Crores	
	FY22	
Opening Balance of loans	1174.22	
Add: New Loans	300.00	
Less: Repayments	159.57	
Closing Balance of loans	1314.65	
Average Loan	1244.44	
Rate of interest	11%	
Interest on Capital Loan	136.89	

Commission's analysis and decision:

The Commission noted the actual capital loan portfolio of MESCOM for FY20 and upto September 2021. The Commission, in its preliminary observation has noted that MESCOM has indicated Rs.300 Crores as new long-term borrowings for FY22. MESCOM was directed to furnish the loan-wise capital loan details for FY22.

MESCOM has confirmed capital loan details as submitted to the Commission along with the filing.

The Commission while computing the Interest on Capital loans has considered the opening balance of long-term loans of Rs.1156.93 Crores for FY22 duly considering the actual closing balance for FY20 and the actuals upto September, 2020 and the projection for the remaining period for FY21. For arriving at the opening balance of FY22, the Commission has considered the opening balance of loans at Rs.998.81 Crores for FY21, addition of loans amount of Rs.325.00 Crores (as approved by the Commission in its Tariff Order, 2019), and repayment of Rs.166.88 Crores by considering repayment of loans as per Audited Accounts of FY20 along with six-months repayment for FY21.

The Commission notes that MESCOM, has claimed an interest rate of 11% per annum on the average of existing and new loans.

The Commission notes that, the interest rates proposed by MESCOM by considering the uniform rate of interest at 11.00%, inclusive of new loans, is not in line with the rate of interest reckoned by the Commission, in its earlier orders. The interest rate claimed by MESCOM on the existing loans amount is comparatively on a higher side, as compared to the actual weighted average rate of 9.04% for FY20 and 9.33 % (estimated) for FY21. The Commission further notes that, the present interest rate being charged by the commercial banks and financial institutions is on the basis marginal cost of fund-based Lending Rates (MCLR). These rates are comparatively lower than the rates considered earlier. The Commission has also observed that there is a downward trend in interest rates based on the MCLR. Hence, in such a situation, the Commission is of the view that, the MESCOM should avail capital loan at competitive interest rates, which would be lesser than the interest rate proposed by it. Thus, the Commission reiterates the need for MESCOM to take up financial prudence measures, so as to avail loans at comparatively lower interest rates and thereby reduce the interest burden on the consumers.

The Commission notes that the interest rate charged by the public sector banks and financial institution as per audited accounts for FY20 is in the range of 8.10% to 11.00%. The Commission notes that MESCOM in recent year is availing capital loans from REC / PFC and the interest rates charged by these financial institutions are at the rate of 10.50% to 11.00%. Considering the present MCLR plus admissible basis points, the Commission decides to allow an interest rate of 11.00% for FY22 for the new capital loan borrowings. It shall be noted that, the rate of interest now considered by the Commission, on the new capital loans, is subjected to review during APR of FY22. However, for the existing capital loans, the weighted average interest rate of 9.33% has been considered for FY22.



Accordingly, the approved interests on capital loan for FY22 are as follows:

TABLE – 5.20
Approved Interest on capital loan for FY22

Amount in Rs. Crores	
Particulars	FY22
Opening Balances of Capital Loans	1156.93
Add: New Loans borrowed	300.00
Less: Repayments of loan	179.38
Total loan at the end of the year	1277.55
Average Loan	1217.24
Interest paid on long term loans	116.10
Weighted average rate of interest per annum allowed on existing loans	9.54%
Interest Rate allowed on new loans in %	11%
Allowable Interest on Capital Loan	116.10

Thus, the Commission decides to approve interest on capital loans of Rs.116.10 Crores for FY22.

5.2.11 Interest on Working Capital Loan:

MESCOM's proposal:

MESCOM in its Petition, has claimed Rs.83.84 Crores as against Rs.80.71 Crores as approved by the Commission towards interest on working capital based on the norms specified in the MYT Regulations for FY22 as follows:

TABLE – 5.21
Interest on Working Capital Loan for FY22
MESCOM's Submission

Amount in Rs. Crores	
Particulars	FY22
1/12th of O&M Expenses	65.20
Opening GFA	3939.75
1% on opening GFA	39.40
1/6th of Revenue	657.57
Total Working Capital	762.17
Rate of Interest (%)	11.00%
Working Capital Interest	83.84

Commission's analysis and decision:

The Commission has observed that MESCOM has proposed an amount of Rs.762.17 Crores as new working capital loan borrowings for FY22 which is on

the higher side. MESCOM was directed to explain the reason for borrowings such a huge amount of short-term loan/OD even with more than 90% revenue collection. MESCOM was also directed to submit loan-wise details of short term/overdraft drawn during FY22.

MESCOM, in its reply to the preliminary observations, has submitted that the interest on working capital has been computed by considering working capital requirement of Rs.762.17 Crores, for projections of the normative interest on working capital for FY22 and the same has been computed as per the provisions of MYT regulations. MESCOM has also submitted the loan-wise details of short term/overdraft for FY20 to FY22.

Since the proposed new borrowing of Rs.762.17 Crores as new working capital loan for FY22 is on the higher side, MESCOM was directed to explain the reason for borrowings such a huge amount of short-term loan/OD even with more than 90% revenue collection. MESCOM was also directed to submit the loan-wise details of short term/overdraft drawn during FY22.

MESCOM in its replies, has reiterated its earlier submissions of computation of interest on working capital.

As per the norms specified under the MYT Regulations, the Commission has computed the interest on working capital which consists of one month's O & M expenses, 1% of Opening GFA and two month's revenue as receivable.

The Commission notes that during FY20 MESCOM has availed the working capital loan at the interest rate of 8.10% to 8.70%. However, MESCOM in the present filing has claimed the working capital interest at 11% per annum.

The SBI MCLR for loan with a tenure upto one year is 7% per annum. Therefore, the Commission by considering the loan portfolios of MESCOM and the present MCLR rates with an addition of appropriate basis points, decides to consider



interest on working capital at 11.00% per annum as per the provisions of the MYT Regulations for FY22.

Accordingly, the approved interest on working capital for FY22 is as follows:

TABLE – 5.22

Approved Interest on Working Capital Loan for FY22

Particulars	Amount in Rs. Crores	
	FY22	
One-twelfth of the amount of O&M Exp.	66.38	
Opening GFA	3915.65	
Stores, materials and supplies- 1% of Opening balance of GFA	39.16	
One-sixth of the Revenue	722.89	
Total Working Capital	828.43	
Rate of Interest (% p.a.)	11.00%	
Interest on Working Capital	91.13	

Thus, the Commission decides to approve interest on working capital loan of Rs.91.13 Crores for FY22.

5.2.12 Interest on Consumer Security Deposit:

MESCOM's proposal:

MESCOM, in its Petition, has claimed Rs.48.59 Crores as against Rs.50.14 Crores as approved by the Commission towards interest on consumer's security deposit by considering the increase in consumer deposit in FY20 over FY19 for projecting consumer's security for FY22.

MESCOM has considered an interest rate of 6.50% per annum, for estimating the interest on consumer deposits for FY22 as shown below:

TABLE – 5.23

**Interest on Consumer Security Deposits for FY22
MESCOM's Proposal**

Particulars	Amount in Rs. Crores	
	FY22	
Opening balance of Consumer Security Deposit	723.10	
Proposed addition during the year	49.01	
Closing Balance of the Consumer security deposits	772.11	
Average of deposit	747.61	
Rate of Interest per annum.	6.50%	
Interest on Consumer Security Deposit	48.59	

Signature

Commission's analysis and decision:

The Commission notes that MESCOM has claimed the Bank rate of 6.50% for the payment of interest on consumer security Deposits for FY22. MESCOM was directed to submit the basis with necessary documents in support of claiming the Bank Rate of 6.50% in contravention to the provisions of KERC Regulation on payment of interest on consumer's security deposit. MESCOM was also directed to reassess the interest amount as per the provisions of prevailing Regulations for FY22.

MESCOM in its reply, has submitted that the interest rate paid on consumers' security deposit during FY20 was 6.50% and the same interest rate has been considered for FY22.

In accordance with the KERC (Interest on Security Deposit) Regulations 2005, the interest rate to be allowed is the Bank Rate prevailing on the 1st of April of the financial year for which interest is due. Accordingly, the Commission has considered the latest available interest rate as per Reserve Bank of India Notification dated 22nd May, 2020 the bank rate of 4.25% in allowance of interest on consumer security deposit for FY22. This being the latest available bank rate, the Commission has considered the same, for computation of interest on consumer deposits for FY22.

The Commission has considered the consumer security deposits as per the audited accounts of FY20 and half yearly accounts of FY21 and has considered the additional amount of deposit collected from the consumers during the previous years. Based on the additional security deposits collected during FY20, the Commission has decided to factor Rs.55 Crores for FY21 and Rs.65 Crores for FY22 as the additional security deposit likely to be collected for during FY21 and FY22. Thus, the allowable interest on consumer deposits for FY22 is computed in the following Table:



TABLE – 5.24
Approved Interest on Consumer Security Deposits for FY22

Particulars	Amount in Rs. Crores
	FY22
Opening balance of consumer deposits	729.09
Closing balance of consumer deposits	794.09
Average consumer deposits	761.59
Rate of Interest allowed per annum	4.25%
Allowable Interest on Consumer Security Deposit.	32.37

Thus, the Commission decides to approve interest on consumer security deposits at Rs.32.37 Crores for FY22.

5.2.13 Other Interest and Finance Charges:

MESCOM in its Petition, has claimed Rs.1.08 Crores as against Rs.1.10 Crores as approved by the Commission towards 'other interest and finance charges' for FY22.

Commission's analysis and decision:

The Commission takes note of the actual other interest and finance charges incurred by MESCOM as per the audited accounts during the previous years in raising the loans. Thus, the Commission decides to allow an amount of Rs.1.08 Crores as proposed by MESCOM towards interest and finance charges for FY22.

5.2.14 Interest and other expenses capitalized:

MESCOM in its Petition, has claimed an amount of Rs.2.10 Crores as against Rs.8.00 Crores as approved by the Commission towards capitalization of interest on loans and other expenses for FY22.

Commission's analysis and decision:

Considering, the capital expenditure incurred and capitalized in the previous years, the Commission decides to allow capitalization of interest on loans and other expenses of Rs.2.10 Crores for FY22.

5.2.15 Interest and finance charges:

The abstract of approved interest and finance charges for FY22 are as follows:

TABLE – 5.25
Approved Interest and finance charges for FY22

Amount in Rs. Crores	
Particulars	FY22
Interest on Capital Loan	116.10
Interest on Working Capital Loan	91.13
Interest on Consumers Security Deposit	32.37
Other Interest & Finance Charges	1.08
Less: Interest & other expenses capitalized	-2.10
Total Interest & Finance Charges	238.57

5.2.16 Return on Equity:

MESCOM's proposal:

MESCOM, in its application, has claimed the RoE (grossed up with MAT) at 19.76% by considering 15.50% of RoE duly grossed up with the applicable MAT of 21.55% which works out to 19.76%, as approved in Tariff Order, 2019, based on the opening balances of share capital, share deposit, reserves and surplus, and recapitalized security deposit for FY22, as indicated in the following Table:

TABLE – 5.26
Return on Equity – MESCOM's Proposal

Amount in Rs. Crores	
Particulars	FY22
Opening balance of Paid up Share capital	558.68
Opening balance of Share deposit	43.48
Opening Balance of Reserves and surplus*	343.90
Less: Recapitalized Security Deposit	(26.00)
Opening balance of Net Equity	920.06
RoE grossed up with MAT	19.7575%
Return on Equity	181.78

Commission's analysis and decision:

The Commission notes that status of debt equity ratio with reference to the projected gross fixed asset for FY22.

The Commission has considered the actual amount of share capital, share deposits and the accumulated surplus / deficit under reserves & surplus as per the audited accounts for FY20 for arriving at the allowable equity base for FY22.



The Commission, in accordance with the provisions of the MYT Regulations, has considered 15.50% of Return on Equity duly grossed up with the applicable Minimum Alternate Tax (MAT) of 17.94%. Further, as per the decision of the Commission in the Review Petition No.6/2013 and Review Petition 5/2014, and the amended provisions of the MYT Regulations, the Return on Equity is to be computed based on the opening balances of share capital, share deposits and the accumulated balances of surplus / deficit under reserves and surplus account. Further an amount of Rs.26.00 Crores of recapitalized consumer deposit as net worth is also considered as per the Orders of the Hon'ble ATE in Appeal No.46/2014. The Commission, by considering the actual profit / loss earned by MESCOM during the previous years as per the audited account, in order to avoid front-loading of the allowable RoE in the retail supply tariff, has not carried forward the allowable RoE for FY21 as the additional equity infused during the year for computation of RoE for the subsequent year.

Further, in compliance with the Orders of the Hon'ble ATE in Appeal No.46/2014, wherein it is directed to indicate the opening and closing balances of gross fixed assets along with break-up of equity and loan component in the Tariff Order henceforth, the details of GFA, debt and equity (net worth) for FY22 are as follows:

TABLE – 5.27
Status of Debt Equity Ratio for FY22

Amount in Rs. Crores

Year	Particulars	GFA	Debt	Equity (Net worth)	Normative Debt @ 70% of GFA	Normative Equity @ 30% of GFA	%age of actual debt on GFA	%age of actual equity on GFA
FY22	Opening Balance	3939.74	1156.93	807.56	2757.82	1181.92	29.37	20.50
	Closing Balance	4513.21	1277.55	807.56	3159.25	1353.96	28.31	17.90

From the above table, it is evident that the debt equity amount are likely to be within the normative debt equity ratio of 70:30 on the opening and the closing balances of projected GFA for FY22. Further, the Commission will review the same during the Annual Performance Review for each year based on the actual data, as per the audited accounts.



The allowable Return on Equity for FY22 is computed as follows:

TABLE – 5.28
Approved Return on Equity for FY22

Amount in Rs. Crores	
Particulars	FY22
OB: Paid Up Share Capital	558.68
OB: Share Deposit	43.48
OB; Reserves & Surplus	231.40
Less: Recapitalized Security Deposit	26.00
Opening Balance of Equity for the year	807.56
RoE Grossed up with MAT @ 17.472% = 18.7815%	151.67

Thus, the Commission decides to approve Return on Equity grossed up with MAT at 18.7815% at Rs.151.67 Crores for FY22. The RoE and the MAT allowed will be subject to truing up as per the actual equity and tax paid by the MESCOM during APR of FY22.

5.2.17 Other Income:

MESCOM's proposal:

MESCOM in its Petition, has claimed 'Other Income' of Rs.46.76 Crores as against Rs.100.04 Crores as approved by the Commission for FY22 as detailed below:

TABLE – 5.29
Other Income - MESCOM's Proposal

Amount in Rs. Crores	
Particulars	FY22
Interest on Bank fixed Deposits	0.10
Interest on Staff loans and advances	0.02
Profit on sale of fixed assets, hire, etc. of apparatus	1.72
Rental from Staff quarters	1.85
Rental from others	0.52
Profit on sale of stores	0.09
Other miscellaneous receipts from trading	0.03
Sale of Scrap	0.74
Value of materials found excess during physical verification	0.01
Commission for collection of Electricity duty	0.01
Incentives received	36.79
Miscellaneous recoveries	4.88
Total	46.76

Commission's analysis and decision:

The Commission notes that MESCOM has projected Rs.46.76 Crores as 'Other Income' for FY22 as against the actual other income of Rs.75.84 Crores and Rs.72.71 Crores earned during FY19 and FY20 respectively. MESCOM was directed to furnish the reasons for under estimation and reassess the amount under other income for FY22.

MESCOM in its reply, has submitted that as per the annual accounts, MESCOM has earned 'Other Income' of Rs.112.58 Crores for FY20 by considering delayed payment charges of Rs.39.87 Crores from consumers as income and also Rs.25.95 Crores relating to depreciation on the assets created out of Government grants and consumer contribution. MESCOM, while computing 'Other Income' of Rs.46.76 Crores for FY22, has deducted depreciation on the assets created out of Government grants and consumer contribution.

The Commission notes that the other income received by the MESCOM mainly includes income from incentives received, miscellaneous recoveries, interest on bank deposits, rent from staff quarters and sale of scrap, profit on sale of stores, commission on collection of electricity duty etc.

The Commission while computing the 'Other Income' for FY22 has considered the actual other income of Rs.50.73 Crores for FY20 as per audited accounts and an increase of 10% each year over the audited values of FY20 to arrive at Rs.61.13 Crores for FY22. The Commission has also considered an income of Rs.28.75 Crores for FY22 from sale of 43.749 MU to MSEZ at Rs.6.5713 per unit.

Thus, the Commission decides to approve 'Other Income' of Rs.89.88 Crores for FY22.

5.2.18 Fund towards Consumer Relations / Consumer Education:

The Commission, in its previous Tariff Orders, has been allowing an amount of Rs.0.50 Crore per year towards consumer relations / consumer education. This amount is earmarked to conduct consumer awareness and grievance

redressal meetings periodically and institutionalize a mechanism for addressing common problems of the consumers. The Commission has already issued guidelines for consumer education and grievance redressal activities.

The Commission decides to continue providing an amount of Rs.0.50 Crore for FY22 towards meeting the expenditure on consumer relations / consumer education.

The Commission would reiterate its earlier directions regarding submission of detailed plan of action for utilization of this amount to the Commission. MESCOM is also directed to maintain a separate account of these funds and furnish the same at the time of APR.

5.2.19 Regulatory Assets:

The Commission issued the Tariff Order for FY21 on 04.11.2020, which was applicable from 1st November, 2020. The total revenue gap approved for FY21 was Rs.122.93 Crores for FY21. Due to applicability of the revised tariff from 1st November, 2020, out of the projected revenue gap of Rs.122.93 Crores, the Commission decided to create the unrecovered portion of the revenue gap of seven months amounting to Rs.61.47 Crores of FY21 as Regulatory Asset to be recovered in the tariff over the next two years (FY22 and FY23). The Commission also decided to allow carrying cost at 10% per annum (based on the current MCLR plus reasonable Basis points) on the amount of Regulatory Asset which will be assessed at the time of the Annual Performance Review (APR) of FY22 and FY23.

Thus, the Commission decides to consider Rs.61.47 Crores towards Regulatory Asset for FY22

5.2.20 Revenue:

MESCOM in its Petition, has projected Rs.4176.35 Crores as revenue to be generated from sale of power to different category of consumers. MESCOM



has projected revenue of Rs.3035.83 Crores from tariff and miscellaneous charges and Rs.1140.52 Crores from tariff subsidy for FY22.

Commission's analysis and decision:

The Commission has observed that MESCOM has indicated Rs.616.31 Crores and Rs.755.76 Crores as the opening and closing balance of receivable from consumers respectively, for sales of power, as against the actual revenue demand of Rs.3756.41 Crores for FY20. The Commission had opined that 100% recovery of the bill amount is the key factor in running the Company financially viable. This is also a key factor in arriving at the lower percentage of AT&C losses of the Company, besides reducing the interest burden on the power purchase and bank loans. MESCOM was directed to explain the basis for projecting the higher amount of closing balance of receivables for FY21 and FY22. MESCOM was also directed to furnish the reasons for the accumulation of revenue receivables from the consumers during FY20 and efforts made and the action plan drawn for the recovery of arrears.

MESCOM in its reply to the preliminary observations, has submitted that closing balance of receivable from consumers of Rs.755.76 Crores for FY20 includes the receivables to the tune of Rs.639 Crores from RLBs, ULBs, IP arrears pertaining to the period prior to 01.08.2008, MPM, Bhadravathi arrears, from Government departments arrears from BJ/KJ installations for the consumption above 40 units and unbilled revenue accounted for FY20.

MESCOM informed that it is continuously pursuing with the concerned authorities for recovery of the accumulated arrears.

The Commission, considering the approved category-wise sales for FY22 has projected the Revenue at existing tariff, as under:

Amount in Rs.Crores	
Revenue from sale of power to consumers other than IP sets & BJ/KJ Installations	3213.57
Revenue from BJ/KJ Installations	24.44
Revenue from IP sets	1099.30
Total Projected Revenue at existing Rates for FY22	4337.32

5.3 Abstract of ARR for FY22:

In the light of the above analysis and decisions of the Commission, the following is the approved ARR for FY22:

TABLE – 5.30
Approved ARR for FY22

Amount in Rs. Crores

Sl. No.	Particulars	As approved in T.O 30.05.2019	As Filed	FY22
1	Energy at Gen Bus (With MSEZ) in MU	6282.20	6499.74	6494.96
2	Energy at Interface in MU	6026.96	6298.12	6257.79
3	Distribution Losses in %	10.80%	10.15%	9.27%
	Sales in MU			
4	Sales to other than IP & BJ/KJ	3539.00	3706.57	3753.48
5	Sales to BJ/KJ	34.21	34.65	32.12
6	Sales to IP	1802.84	1917.64	1892.09
7	Total Sales	5376.05	5658.86	5677.69
	Revenue at existing tariff in Rs. Crores.			
8	Revenue from tariff and Misc. Charges	0.00	3035.83	3213.57
9	Tariff Subsidy to BJ/KJ	0.00	26.37	24.44
10	Tariff Subsidy to IP	0.00	1114.15	1099.30
	Total Existing Revenue	0.00	4176.35	4337.32
	Expenditure in Rs. Crores.			
11	Power Purchase Cost	2596.96	3195.82	2738.02
12	Transmission charges of KPTCL	291.32	315.43	318.187
13	SLDC Charges	2.18	1.99	2.585
	Power Purchase Cost including cost of transmission	2890.46	3513.24	3058.79
14	O&M Expenses	726.20	779.09	796.62
15	Depreciation	154.54	187.90	186.77
	Interest & Finance charges			
16	Interest on Capital Loans	130.25	136.89	116.10
17	Interest on Working capital loans	80.71	83.84	91.13
18	Interest on belated payment on PP Cost	0.00	0.00	0.00
19	Interest on consumer security deposits	50.14	48.59	32.37
20	Other Interest & Finance charges	1.10	1.08	1.08
21	Less: interest & other expenses capitalised	-8.00	-2.10	-2.10
22	Total Interest & Finance charges	254.20	268.30	238.57
23	Other Debits	0.00	13.99	0.00
24	Net Prior Period Debit/Credit	0.00	0.00	0.00
25	Return on Equity	122.20	181.78	151.67
26	Funds towards Consumer Relations/Consumer Education	0.50	0.50	0.50
	Regulatory Assets as per T.O dated 04.11.2020		61.47	61.47
27	Other Income (Including income from MSEZ)	-100.04	-46.76	-89.88

Sl. No.	Particulars	As approved in T.O 30.05.2019	As Filed	FY22
28	ARR	4048.06	4959.51	4404.50
29	Add: Gap for FY20 carried forward (As per APR)	0.00	160.10	103.15
30	Net ARR	4048.06	5119.61	4507.65

5.4 Segregation of ARR into ARR for Distribution Business and ARR for Retail Supply Business:

MESCOM in its Petition, has not proposed any new ratio for segregation of consolidated ARR into ARR for Distribution Business and ARR for Retail Supply Business.

Commission's Analysis and Decisions:

Since no new proposal for segregation of expenses has been furnished by MESCOM, the Commission decides to continue with the existing ratio of segregation of ARR as detailed below:

TABLE – 5.31
Approved Segregation of ARR – FY22

Particulars	Distribution Business	Retail Supply Business
O&M	39%	61%
Depreciation	84%	16%
Interest on Loans	100%	0%
Interest on Consumer Deposits	0%	100%
RoE	78%	22%
GFA	84%	16%
Non-Tariff Income	7%	93%

Accordingly, the following is the approved ARR for Distribution Business and Retail supply business:

TABLE – 5.32
APPROVED REVISED ARR FOR DISTRIBUTION BUSINESS – FY22

Amount in Rs. Crores		
Sl. No	Particulars	FY22
1	R&M Expenses	310.68
2	Employee Expenses	
3	A&G Expenses	
4	Depreciation	156.89

Sl. No	Particulars	FY22
	Interest & Finance Charges	
5	Interest on Capital Loans	116.10
6	Interest on Working capital loans	13.45
7	Interest on consumer security deposits	0.00
8	Other Interest & Finance charges	1.08
9	Less: Interest & other expenses capitalised	-2.10
	Total	596.09
10	RoE	118.30
11	Less: Other Income	-6.29
12	Provision for taxes	0.00
13	Regulatory Asset	51.63
	NET ARR	759.73

TABLE – 5.33
APPROVED ARR FOR RETAIL SUPPLY BUSINESS – FY22

Amount in Rs. Crores

APPROVED ARR FOR RETAIL SUPPLY BUSINESS- FY 22- MESCOM		
Sl. No	Particulars	FY22
1	Power Purchase & SLDC Charges	2740.605
2	Transmission Charges	318.187
3	O&M Expenses	485.94
4	Depreciation	29.88
	Interest & Finance Charges	
5	Interest on Working capital loans	77.68
6	Interest on consumer security deposits	32.37
7	Other Interest & Finance charges	0.00
8	Less interest & other expenses capitalized	0.00
	Total	3684.66
9	ROE	33.37
10	Less: Other Income	-83.59
11	Provision for taxes	0.00
12	Fund towards Consumer Relations / Consumer Education	0.50
13	Regulatory Asset	9.93
	NET ARR	3644.77

5.5 Gap in Revenue for FY22:

As discussed above, the Commission approves the Net Annual Revenue Requirement (ARR) of MESCOM at Rs.4507.65 Crores as against Rs.5119.61 Crores as proposed by MESCOM in its application for ARR for its operations in FY22. The approved ARR includes an amount of Rs.103.15 Crores which is determined as the gap for FY20 as per APR as discussed in Chapter-4. Based

on the existing retail supply tariff, the total realization of revenue will be Rs.4337.32 Crores which is Rs.170.33 Crores less than the projected revenue requirement of Rs.4507.65 Crores for FY22.

The net ARR, the gap in revenue for FY22 and the average cost of supply is indicated in the following table:

TABLE – 5.34
Revenue gap for FY22

Particulars	FY22
Net ARR including carry forward deficit of FY20 (in Rs. Crores)	4507.65
Approved sales (in MU)	5677.69
Average cost of supply for FY22 (in Rs. /unit)	7.94
Revenue at existing tariff (in Rs. Crores)	4337.32
Gap in revenue for FY22 (in Rs. Crores)	170.33

For the recovery of the gap of Rs.170.33 Crores, the determination of revised retail supply tariff for FY22, on the basis of the above approved ARR is discussed in detail in the Chapter-6 of this Order.

The details of revised retail supply tariff, on the basis of the above approved ARR, is discussed and approved in Chapter-6 of this Order.



CHAPTER – 6

DETERMINATION OF RETAIL SUPPLY TARIFF FOR FY22

6.0 Revision of Retail Supply Tariff for FY22-MESCOM's Proposals and Commission's Decisions:

6.1 Tariff Application:

As per the Tariff application filed by the MESCOM, it has projected a deficit of Rs.943.25 Crores for FY22 which also includes the revenue deficit of Rs.160.10 Crores for FY20. In order to bridge this gap in revenue, MESCOM has proposed to increase both the fixed and energy charges with an average tariff increase of 167 paise per unit, in respect of all the categories of consumers.

In the previous chapters of this Order, the Annual Performance Review (APR) for FY20 and the approval of ARR for FY22 has been discussed. The various aspects of determination of tariff for FY22 are discussed in this Chapter.

6.2 Statutory Provisions guiding determination of Tariff

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

- o the distribution and supply of electricity are conducted on commercial basis;
- o competition, efficiency, economical use of resources, good performance, and optimum investment are encouraged;
- o 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;
- o efficiency in performance is to be rewarded: and
- o a multi-year tariff framework is adopted.



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

6.3 Factors Considered for Tariff setting:

The Commission, for the purpose of determination of retail supply tariff, is guided by the following factors:

a) Tariff Philosophy:

As discussed in the earlier tariff orders, the Commission continues to fix tariff below the average cost of supply in respect of consumers whose ability to pay is considered inadequate and also fix tariff at or above the average cost of supply for categories of consumers whose ability to pay is considered to be higher. Thus, the system of cross subsidy continues. However, the Commission has taken due care to progressively bring down the cross subsidy levels as envisaged in the Tariff Policy, 2016, issued by the Government of India.

b) Average Cost of Supply:

The Commission has been determining the retail supply tariff on the basis of the average cost of supply. The KERC (Tariff) Regulations, 2000, as amended from time to time, require the licensees to provide the details of embedded cost of electricity voltage / consumer category-wise. The distribution network of Karnataka is such that, it is difficult to segregate the common cost between voltage levels. Therefore, the Commission has decided to continue the average cost of supply approach for recovery of the ARR. With regard to the indication of voltage-wise cross subsidy with reference to the voltage-wise cost of supply, the same is indicated in the Annexure -3 to this Order.

c) Differential Tariff:

The Commission has been determining differential retail supply tariff for consumers in urban and rural areas, beginning with its Tariff Order, dated 25th



November, 2009. The Commission decides to continue the same approach in the present order also.

6.4 New Tariff Proposals by MESCOM:

MESCOM has not made any new tariff proposals for FY22. However, some of the new proposals made by BESCOM/ other ESCOMs, which are applicable to MESCOM also, are discussed below:

1. Enhancement of slab wise consumption in respect of Domestic Consumers:

The Commission notes that, during the public hearing held on the tariff filing of ESCOMs, the consumers have requested to consider the increase in the first slab consumption from 30 units to 50 units / month. The Commission, taking note of the consumer's demand and the usage of more electrical gadgets/appliances particularly by the lower / middle income group domestic consumers, other than BJ/KJ consumers and by considering the projected surplus power available in the State **decides to enhance under 1st slab consumption from the existing 30 units to 50 units per month and under the 2nd slab consumption from 31 units to 100 units per month to 51 units to 100 units per month. The remaining consumption slabs as approved by the Commission in its Tariff Order dated 4th November, 2020 is continued.**

2. Incentive Scheme to HT industrial consumers Proposed by BESCOM and other ESCOMs:

BESCOM, in its application, has stated that the availability of energy from different sources is more than the quantum required by all ESCOMs. The RE power has must run status and doesn't come under Merit Order Despatch (MOD). To off-take the RE Power, the thermal stations having higher variable cost are backed down and kept under Reserve Shut Down(RSD). Due to fourth & fifth amendments to CERC Deviation Settlement Regulations, more discipline in the Grid shall have to be ensured and if not adhered to, additional charges & penalties are required to be paid, due to sign change & under drawal.



- i. Hitherto surplus power was traded in Indian Energy Exchange (IEX). Due to depletion of rates in IEX, the quantum of power put to bid is not cleared and revenue from sale of power in IEX is minimum.
- ii. To avoid the additional charges & penalties for DSM & quoting the surplus quantum at cheaper rate in IEX, BESCOM is proposing an incentive scheme for HT Sales for FY22.
- iii. BESCOM has submitted that though it has the HT Consumer base of around only 17,925 installations accounting for 0.14% of total active Consumer base of about 123.65 lakhs, the revenue contributed by these HT Consumers amounts to 35% of total revenue of BESCOM. Hence, though they are small in number, but they are the most valued consumers of BESCOM.
- iv. Giving the year on year HT sales and growth from FY10 to FY20, BESCOM has stated that though there was upward trend in sales upto FY14, due to payment of high cross subsidy surcharge by these HT consumers, there is negative growth in sales from FY15 onwards. The other reasons given for downward growth in HT sales is the significant number of consumers availing power as captive and may more as open access consumers through wheeling of power. BESCOM further submitted that it has lost 3554.04 MU of sales in FY18 and the same is 4260.69 MU for FY19 and has increased to 4604.28 MU during FY20. With the ARR of Rs.9.48 per unit for HT category in FY20, the probable loss in revenue would be approximately Rs.3388.46 Crores. (excluding captive consumption) for BESCOM for FY20. As price is the major criteria, BESCOM Consumers are opting for Open Access/Wheeling, by drawing power from sources who offer power at a lower rate. The Renewable Purchase Obligation (RPO) which mandates procurement of a specific percentage of the total energy requirement from renewable sources is also one of the reasons for Consumers opting out of BESCOM grid. The RE generators sell power produced at lower rates.
- v. BESCOM, in its application has submitted that the other reasons for the HT consumers leaving the grid are:



- increase in approved HT Tariff: The energy charges in the last five years' have gone by 207 paise/kWh, whereas the Demand charge has hardly gone up. As a result, fixed charge recovery has come down and energy charges are realized less on account of consumers moving away from the grid);
 - Waiver of wheeling charges for Solar energy;
 - Capturing of BESCOM HT consumers by NCE generators located in the jurisdictions of other ESCOMs;
 - NCE generators absorbing the additional Cross subsidy surcharge levied to the consumers who are participating in wheeling transaction and offering a price lower rate than the BESCOM tariff.
- vi. In its application, BESCOM has submitted that the impact of downward trend in HT sales on BESCOM is as under:
- As the collection efficiency in HT category is little below 100%, the reduction in sales will result in reduced consumption/sale and increase in Technical loss and also loss of cross subsidization.
 - Reduction in cross subsidization to BESCOM affecting its the finances and increase the revenue gap.
 - Increases working capital requirements (collection from HT is 99.71%) and increase in non-profitable sales.
 - Imposes higher subsidy burden on State Government due to reduced availability of cross subsidy from HT.
- vii. Corrective action initiated by BESCOM:
- BESCOM has submitted that, considering the seriousness of the issue, it has initiated action to interact with HT industrial Consumers and to ascertain the reasons for their moving away from the grid. While appreciating this move, several consumers have expressed that they are willing to come back to BESCOM if:
- a. They are offered price/unit at a competitive rate.
 - b. BESCOM can issue certificates/letters for the incremental energy drawn by them as sourced from NCE to meet their RPO obligations



- c. Certainty of discounted tariff rate over the year is assured (i.e. Rs.6/unit).
- d. BESCOM has computed the financials by retaining the consumption projected by BESCOM at the Commission approved rate in tariff Order-2020, dated 04.11.2020. The consumer whose consumption in a month exceeds the previous year i.e. average consumption of FY21 by 10%, is offered a discounted rate of Rs.6 per unit. BESCOM has further examined the possible sales growth (incremental energy consumption) at 10%. BESCOM, in its application has submitted that with this scheme, it is targeting IEX consumers and open access consumers to come back to the State grid and consume State power.
- e. BESCOM has proposed the HT incentive scheme as under:
1. BESCOM has proposed Incentive Scheme for consumer categories of HT Industries/Commercial/Educational Institutes and Hospitals, whose consumption exceeds 1 lakh units and above. Additionally, actual consumption in a month for the current year shall be 10% more than the average consumption of previous year.
 2. The discount rate will be less than the landed cost charged by IEX and wheeling and Banking Generators for non-solar, non-captive use, as one of its efforts to bring back HT Consumers to its grid during monsoon period. It will be a win-win situation for both BESCOM and the HT Consumers.
- f. Based on the sales trend, ARR and present tariff rate, BESCOM has proposed the following HT categories to be included in the new scheme:
- i. HT-2(a)(i) – Industrial Category in BBMP area.
 - ii. HT-2(a)(ii)- Industrial Category in Non- BBMP area.
 - iii. HT-2(b)(i)-Commercial Category in BBMP area.
 - iv. HT-2(b)(ii)- Commercial Category in Non- BBMP area.



- v. HT-2(c)(i)- Educational Institutes and Hospitals Category in BBMP area.
- vi. HT-2(c)(ii)- Educational Institutes and Hospitals Category in non-BBMP area.
- g. An incentive rate i.e., price/kwh is arrived at, for HT Industrial/Commercial/Educational Institutes and Hospitals consumers whose consumption exceeds one lakh or two lakh units and above per month, in respect of HT-2a, 2c/HT-2b respectively. Additionally, actual consumption in a month for the FY22 shall be 10% more than the average consumption of FY21. BESCO has proposed a discounted rate at Rs.6 per unit for consumption over and above the average consumption of FY21.
- h. BESCO has submitted the computation sheet for the expected increase in sales and corresponding revenue with the proposed incentive scheme. By this proposed scheme, BESCO has expected that the sales in respect of these categories will increase by **10% per month** and the additional revenue with the surplus power available in the State.
- i. Impact of scheme on future tariff:**
- BESCO in its application has submitted that through this incentive scheme, it will generate additional revenue from HT consumers by encouraging them to consume energy over and above the average twelve months' consumption of FY21 by offering a concessional tariff rate. In case the consumers get attracted to this scheme, HT sales may go up, which would in-turn help BESCO to come closer to achieving the HT sales target approved by the Commission for the year. This will have a positive impact on the cross subsidy generation also, which in-turn could reduce the subsidy burden on the State Government for the respective year/s.



j. BESCOM has proposed the following terms and conditions for HT Incentive Scheme during monsoon period:

- Scheme will be applicable only when SLDC confirms that there is surplus power situation during monsoon period
- HT consumers availing this scheme are not eligible for open access
- HT consumers can avail any one of the incentive schemes.
- ToD tariff will not be applicable during the incentive scheme.

BESCOM has requested the Commission to consider and approve the above proposal so that BESCOM and other ESCOMs can implement the scheme from April 2021.

The Commission in its preliminary observations has sought the opinion of MESCOM on the proposal submitted by BESCOM. MESCOM in its reply to the preliminary observations has concurred with the proposal of BESCOM.

The Energy Department, Government of Karnataka in its letter No. ENERGY 98 PSR 2021 dated 9th March, 2021 has requested the Commission to examine the request of the BESCOM and other ESCOMs on introduction of new incentive scheme to HT consumes and take appropriate decision in the matter while issuing the Tariff Orders for FY22.

Commission's Analysis and decisions:

- a. The Commission notes that many HT/EHT consumers in the State are opting for open access and are procuring power from sources other than from the distribution licensees i.e. IEX, Wheeling and Captive generation source. This has resulted dip in the sales by the ESCOMs to the paying consumers, impacting the finances of the distribution licensees in the State. The Commission is of the view that significant number of such consumers could be brought back by the ESCOMs, if the new scheme with attractive rates / discount / incentives, are provided in the Tariff as made out in the proposal submitted by BESCOM and other ESCOMs. Introduction of any such scheme



would also encourage HT/EHT consumers to consume more power over and above the average consumption. Thus, the Commission is of a considered view that introduction of new scheme is necessary particularly during the present power surplus situation and decline in the sales under HT categories due to the consumers leaning towards open access by procuring power from IEX, wheeling and captive sources etc. at competitive rates and put facilitate bringing lack of consumers and improve financial position of the distribution licensee.

- b. Further, the industrial consumers, while participating in the public hearing held by the Commission on the tariff petition of the distribution licensees, have sought reduction in their tariff, that is competitive with the open market by introducing any new scheme and if it is introduced, they would avail power from the distribution licensees instead of sourcing their power requirement from open access.
- c. **The Commission notes that the Energy Department, Government of Karnataka in its letter No. ENERGY 98 PSR 2021 dated 9th March, 202, has requested the Commission to examine the request of the BESCOM and other ESCOMs on introduction of new incentive scheme to HT consumes and take appropriate decision in the matter while issuing the Tariff Orders for FY22.**
- d. The Commission has taken note of the submissions and the detailed analysis done by BESCOM and other ESCOMs. The Commission notes that BESCOM has initiated action to interact with HT industrial Consumers and to ascertain the reasons for their moving away from the grid. BESCOM has stated that, while appreciating this move, several consumers have expressed that they are willing to come back to BESCOM if:
- i. They are offered price/unit at a competitive rate.
 - ii. BESCOM to issue certificates/letters for the incremental energy drawn by them as sourced from NCE to meet their RPO obligations
 - iii. Certainty of discounted tariff rate over the year is assured (i.e. Rs.6 per unit).



- e. The Commission notes that, BESCOM has projected the sales growth (incremental energy consumption) at 10% by targeting consumers availing power from IEX and other open access consumers.
- f. Under the scheme proposed by BESCOM, and other ESCOMs the consumer whose consumption in a month exceeds the average consumption of FY21 by 10%, is offered a discounted rate of Rs.6 per unit, which is likely to be less than the landed cost charged by IEX, even after adding the wheeling and Banking Charges for energy generated in respect of non – solar and non-captive plants. It will be a win – win situation for both BESCOM and the HT Consumers opting for OA.
- g. The Commission further notes that the discounted rate of Rs.6.00 per unit offered under this scheme will be applicable to the consumers availing power for HT Industrial/ Commercial/ Educational Institutions and Hospitals, whose consumption exceeds one lakh in respect of HT-2a and HT2(c) and two lakh units and above in respect of HT-2(b) installations. The additional consumption over and above the annual average consumption of FY21, in a month, shall be at least 10% or more.

The Commission notes that, in view of the surplus power situation, particularly during the monsoon period, the proposal to sell surplus power at a rate of Rs.6.00 per unit in respect of the above referred HT installations appears to be reasonable. In order to encourage the HT consumers to consume more power over and above their normal consumption and keeping in view the efforts of BESCOM in approaching the consumers and convincing them to opt for using additional energy over and above the average consumption, the Commission hereby decides to approve the new 'Discounted Energy Rate Scheme' to be implemented during the monsoon / off season period from July to December in a financial year subject to the following terms and conditions:

Applicability of the Scheme:

- i. The scheme is applicable to the following HT categories in all the ESCOMs:



Category of Consumers	Nature of Use	Discounted rate of Rs.6 per unit applicable to
HT-2(a)(i)	Industrial Category - BBMP and Municipal Corporation area.	For additional consumption of over and above the average consumption.
HT-2(a)(ii)-	Industrial Category - other areas	For additional consumption over and above the average consumption.
HT-2(b)(i)-	Commercial Category - BBMP and Municipal Corporation area.	For additional consumption over and above the average consumption.
HT-2(b)(ii)-	Commercial Category - other areas.	For additional consumption over and above the average consumption.
HT-2(c)(i)	Govt. Hospital, Hospitals run by charitable institutions, ESI hospital & Universities, Educational Institution run by Government, Local bodies, Aided Institutions and Hostel of all Educational Institutions.	For additional consumption over and above the average consumption.
HT-2(c)(ii)	Hospitals & Educational Institutions other than those covered under HT2c(i)	For additional consumption over and above the average consumption.

II. **Base Consumption:**

The monthly average base consumption, for the existing consumers, as on 01.04.2021 shall be computed considering the energy supplied by MESCOM during the period from April 2019 to March 2021 (Excluding Pandemic COVID-19 period from April 2020 to October 2020), irrespective of request by the consumers for opting for the scheme. The minimum period for the computation of monthly average shall be 6 months. The consumption of energy from other sources other than BESCOM shall not be reckoned for computation of average monthly base consumption.

III. **Base Consumption for New Installations service after 01.04.2020**

In case of consumers whose installations are serviced after 01.04.2020, where the actual consumption for the past at least 6 months is not available, then

the available energy consumption for a minimum period of 3 months, shall form the basis for computing the monthly average base consumption.

The extension of this new scheme is subject to availability of minimum actual consumption of 6 months from ESCOMs. Based on the actual consumption of 6 months, the monthly average base consumption shall have to be computed and if such consumer opts for the scheme, the consumption over and above the 6 month's average consumption shall be eligible for 'Discounted Energy Charges'.

IV. Increase in Contract Demand:

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

V. Discounted Energy Charges:

a) Any excess energy consumed by the eligible consumers during the monsoon / off season period, (July – December) over and above the monthly average base consumption, as arrived at, shall be allowed at a discounted energy charges at Rs.6 per unit.

b) If the eligible consumer opts for this scheme, the ToD tariff approved by the Commission in this Tariff Order is not applicable to the extent of the energy consumed and billed under the scheme. The ToD Tariff shall be applicable upto the base monthly average consumption, as computed by the ESCOM.

c) HT consumers willing to avail this scheme shall give an undertaking that during the operation of the scheme, they will not opt for open access;



- VI. **Eligible HT consumers not to get benefit under other Scheme / OA facility:**
The eligible HT consumers who have opted for this new incentive scheme shall not be eligible to get any other scheme as approved by the Commission (Special Incentive Scheme etc.).
- VII. HT consumers availing this scheme are not eligible for open access. If HT consumer covered under scheme opt for procuring power from sources other than MESCOM, then the benefit extended under this scheme will stand automatically terminated.
- VIII. The consumer who has opted for this new scheme can exit from the scheme by giving at least 30 days' notice in advance.
- IX. The scheme shall be implemented subject to below mentioned conditionality's:
- The Energy Committee constituted by GoK and PCKL after obtaining the confirmation from the SLDC that there is surplus power in each month during the monsoon / off season period shall inform the ESCOM to extend the scheme approved by the Commission;
 - Once the applicability of the scheme is communicated by the power committee constituted by the GoK, the same shall be published in the Website of ESCOMs / SLDC / PCKL / ESCOMs and also a gist of the scheme published in the Newspapers.

3. Continuation of Special Incentive Scheme (SIS):

MESCOM Submission:

MESCOM in its reply to the preliminary observations of the Commission has submitted that, the Commission, in its Tariff Order 2020, dated 04.11.2020 had decided to continue the HT incentive scheme for one year with effective from 01.04.2020 for FY21 in an attempt to bring back the EHT/HT consumers who are availing power through open access.



In the said incentive scheme, rebate of Re.1 per unit for the consumption over and above the base consumption during 10:00 hrs to 18:00 hrs and rebate of Re.2 per unit during 22:00 hrs to 06:00 hrs has been extended. Further, during 10:00 hrs to 18:00 hrs if the SIS consumer's consumption during 10:00 hrs to 18:00 hrs does not exceed the base consumption, rebate of Rs.2 per unit has been extended during 22:00 hrs to 06:00 hrs.

It is submitted by MESCOM that, about 201 HT/EHT Consumer have opted for Special Incentive Scheme, and opined that only those consumers are benefitted from the scheme and MESCOM is not getting compensated for the revenue loss by way of increased energy sales.

MESCOM further submitted that the scheme is not workable to MESCOM. In order to encourage HT consumers to consume more power from MESCOM, it is requested to approve the new scheme proposed by BESCO for next financial year FY22.

Commission's Analysis and decision:

The Commission has examined the proposal made by BESCO and other ESCOMs to continue the Special Incentive Scheme. The Commission noted, the details of number of consumers who have opted for Special Incentive Scheme. This is an encouraging sign and the scheme needs to be continued further.

The Commission is of the view that, in order to encourage HT consumers to consume more power in the present power surplus situation and to reduce the financial burden of the ESCOMs, the Special Incentive Scheme is required to be continued for further period of one year.

The Commission, after careful consideration of the submission made by BESCO and other ESCOMs and the requests made by the industries during the public hearings on the tariff applications, decides to continue the Special Incentive Scheme with the existing terms and conditions as approved in the Tariff Order, 2018 dated 14.05.2018 for one more year w.e.f 01.04.2021. The Special Incentive Scheme benefit is also extended for the OA consumers who consume energy from the ESCOMs by limiting the benefit to the energy drawn from ESCOMs only.



This incentive scheme will not be applicable to the consumers who opt for Discounted/ Reduced tariff of Rs.6 per during the monsoon period.

The Commission also directs ESCOMs to take up an intensive campaign to encourage more industrial consumer to opt for the scheme.

4. Removal of ToD Tariff for usage of Power during Evening Peaks:

During the course of Public hearing held by the Commission to hear the stakeholders on the tariff application filed by the ESCOMs, the representatives of the Industries and Commerce and KASSIA have requested the Commission to examine removing the evening peak ToD tariff, in view of the surplus power situation in the State. The Commission noted that, the evening peak ToD was introduced to reduce the demand from HT consumers during the evening peak hours between 18.00 Hrs. to 22.00 Hrs., in view of the power shortage situation which was existing till financial year 2016-17. Consequent on commissioning of new thermal stations by KPCL & NTPC and large scale penetration of wind and solar power generation, the state is facing a power surplus situation. Due to adequate solar and wind power availability, the supply to IP sets has been partially scheduled during the day time between 9.00 Hrs. to 17.00 Hrs. This has resulted in the shifting of evening peak to morning/afternoon peak between 10.00 Hrs. to 17.00 Hrs.

Commissions Analysis:

a. Consultation with KPTCL & ESCOMs:

The Commission has examined the request for removal of evening peak ToD in view of the surplus power situation and to encourage increased power consumption by HT consumers.

In order to ascertain the feasibility of doing away with evening peak ToD tariff, the KPTCL/SLDC and the ESCOMs were requested to analyze the system constraints in supplying unrestricted power during evening peak hours besides furnishing necessary data for taking a view in the matter.



The KPTCL in its reply dated 25.02.2021 has stated that during the evening peak between 18.00Hrs to 22.00 Hrs the State can meet the peak demand upto 12000 MW with the available hydel, RE and thermal generation capacity and if it exceeds 12000 MW there will be power deficit situation.

The SLDC has also furnished projection of availability and demand for the period from March, 2021 to January, 2022, wherein the maximum demand during 18.00 Hrs to 22.00 Hrs is projected between 7200 MW to 11000 MW.

On the analysis of the data furnished by the SLDC, it is found that during the period from October, 2019 to January, 2021, the maximum demand during 18.00 Hrs to 22.00 Hrs is ranging between 7100 MW to 10,000 MW and it has never exceeded 12000 MW during the said period.

CESC in its reply has endorsed the proposal of relaxing the evening ToD facility to HT consumers to encourage them to use more power to optimize the surplus energy situation prevailing in the State.

GESCOM in its reply dated 23.02.2021 has confirmed that there is no system constraint to supply unrestricted power during the evening hours and have agreed for relaxation of the evening ToD penalty.

In view of the above analysis, the Commission notes that there is no system constraint to relax the power consumption during evening peak (ToD period) to the HT Consumers between 18.00 Hrs. to 22.00 Hrs., with the condition that there will be less supply of power to IP sets during the monsoon period from July to November. However, from December to June the ToD tariff approved by the Commission in this Order is applicable.

Commission's decision:

Considering the above facts, with a view to make use of the available surplus power as projected by the ESCOMs and SLDC during the monsoon period from July to November, to encourage the industries to consume more power during evening peak hours, the Commission decides to remove the penalty under ToD mechanism for the use of power during evening hours from 18.00 Hrs to 22.00



Hrs., during monsoon season beginning from July, 2021 to November, 2021. The Evening Peak ToD for the other months in the financial year will be continued and penalty of Re1 per unit shall be levied in the monthly bills issued from December to June as per the existing arrangement, as approved in this Tariff Order.

6.5 Other Issues:

A) Reduction of Fixed Charges / Demand Charges to Ice manufacturing units / Cold storage plants used for Fisheries during Off-Season:

During the course of public hearing, the consumers using power for Ice manufacturing unit / Cold storage plant for the purpose of fisheries have represented that the retail supply tariff for the power supply to Ice manufacturing units / fisheries' cold storage plants are quite high making the fishing industry un-sustainable, when compared with the electricity tariff of the neighbouring States. Further, these industries are not operational throughout the year. As these industries are a seasonal industry and during non-seasonal period they are using the power only for maintenance of the plants and for watch and ward.

The Commission takes note of the energy consumption and numbers of such installations in the State. As these industries have been accorded status of 'Industry' and the Commission has extended benefits of seasonal industry during the off season period by reducing the fixed charges by 50% of the normal fixed charges under LT-5 Tariff category and reducing the billing demand by 50% under HT tariff category. However, these consumers have requested the Commission to extend further concession through reduction in the retail supply tariff / concessional fixed / demand charges during Off-Season period.

After examining the issue in detail, and considering the plight of these industrial consumers, the Commission has decided to charge only 25% of normal fixed charges during the off-season period plus energy charges for LT-5 category and in respect of HT category the monthly chargers during off season period shall be: Demand charges on the maximum demand recorded during the month or 75% of the CD, whichever is higher at 50% of the demand charges so arrived at, plus energy charges subject to fulfilment of the seasonal industry conditions stipulated in the Tariff Order 2020, to the installations of Ice manufacturing units / cold storage plants used for fisheries purpose, situated in the coastal belt area



of Karnataka State within a radius of 5 Kms. from Sea only. For other industries under both LT and HT category the seasonal industry concession as per the general condition applicable to both LT/HT at Sl.No.26 shall be applicable.

B) Increase in Fixed Cost / Demand Charges:

The Commission notes that as compared to total fixed cost of ESCOMS including MESCOM, the total recovery of fixed cost from consumers as per the revised rates is abnormally lesser. Hence, in order to ensure gradual increase in fixed in order to avoid tariff shock to the consumers, the Commission has decided to increase the Fixed cost demand charges by Rs.10 to Rs.20 per KVA/KW/ HP and Rs.25 per kw/HP in respect of Temporary supply, depending upon the nature of installation. The increase in Fixed cost to individual category of installations has been dealt with separately in the respective tariff schedule of this Order.

6.6 Revenue at existing tariff and deficit for FY22:

The Commission, in the preceding Chapters, has decided to carry forward the deficit in revenue of Rs.103.15 Crores of FY20 to the Revised ARR of FY22. The net revenue gap by including the revenue gap of FY20 is Rs.170.33 Crores for FY22. This gap in revenue is proposed to be filled up by revision of Retail Supply Tariff as discussed in the following paragraphs of this Chapter.

Considering the approved ARR for FY22 and the revenue as per the existing tariff, the resultant gap in revenue for FY22 is as follows:

Revenue Deficit for FY22

Particulars	Amount in Crores	
	Amount	
Approved Net ARR for FY22 including gap of FY20	4507.65	
Revenue at existing tariff	4337.32	
Deficit	170.33	
Additional Revenue to be realised by Revision of Tariff	170.33	

Accordingly, the Commission now proceeded to determine the Revised Retail Supply Tariff for FY22. The category-wise tariff as existing, as proposed by MESCOM and as approved by the Commission are as follows:

6.7 Category wise Existing, Proposed and Approved Tariffs:**1. LT-1 Bhagya Jyothi:**

The existing tariff and the tariff proposed by MESCOM are as given below:

Sl. No.	Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
1	Energy charges (including recovery towards service main charges)	761 Paise / Unit Subject to a monthly minimum of Rs.50 per installation per month.	905 Paise / Unit Subject to a monthly minimum of Rs.90 per installation per month.

Commission's Views/ Decision:

The Government of Karnataka has continued its policy of providing free power to all BJ/KJ consumers with a single outlet, whose consumption is not more than 40 units per month, vide Government Order No. EN12 PSR 2017 dated 20th March, 2017 (instead of the earlier limit of 18 units per month). Based on the present average cost of supply, the tariff payable by this BJ/KJ consumer is revised to Rs.7.94 per unit.

Further, the ESCOMs shall claim subsidy for only those consumers who consume 40 units or less per month per installation. If the consumption exceeds 40 units per month or if any BJ/KJ consumer is found to have more than one out-let, it shall be billed as per the Tariff Schedule LT 2(a).

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

LT – 1 Approved Tariff for BJ / KJ installations:

Commission determined Tariff	Retail Supply Tariff determined by the Commission
794 paise per unit, subject to a monthly minimum of Rs.60 per installation per month.	-Nil- Fully subsidized by GoK

**Since GOK is meeting the full cost of supply to BJ / KJ installations, the Tariff payable by these consumers is shown as nil. However, if the GOK does not release the subsidy in advance, a Tariff of Rs.7.94 per unit subject to a monthly minimum of Rs.60 per installation per month, shall be demanded and collected from these consumers by MESCOM.*



2. LT2 - Domestic Consumers:**MESCOM's Proposal:**

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

Proposed Tariff for LT-2 (a)**LT-2 a (i) Domestic Consumers Category**

Applicable to areas coming under City Municipal Corporations and all Urban Local Bodies

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	For the first KW Rs.70	For the first KW Rs.110
	For every additional KW Rs.80	For every additional KW Rs.120
Energy Charges 0-30 units (Lifeline Consumption)	0 to 30 units:395 paise /unit	0 to 30 units: 495 paise /unit
Energy Charges exceeding 30 units per month	31 to 100 units:545 paise/unit	31 to 100 units: 645 paise / unit
	101 to 200 units:700 paise /unit	101 to 200 units:800 paise/unit
	Above 200 units: 805 paise /unit	Above 200 units: 905 paise /unit

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

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed charges per Month	For the first KW Rs.55	For the first KW Rs.95
	For every additional KW Rs.70	For every additional KW Rs.110
Energy Charges 0-30 units (lifeline Consumption)	Up to 30 units: 385 paise/unit	0 to 30 units:485 paise /unit
Energy Charges exceeding 30 Units per month	31 to 100 units:515 paise / unit	31 to 100 units:615 paise / unit
	101 to 200 units: 670 paise /unit	101 to 200 units: 770 paise /unit
	Above 200 units: 755 paise /unit	Above 200 units:855 paise /unit

Commission's Decision:

The Commission notes that, during the public hearing held on the tariff filing of ESCOMs, the consumers have requested to consider increase in the first slab consumption from 30 units to 50 units / months. The Commission, taking note of the consumer's demand and the usage of more electrical gadgets/appliances particularly by the lower / middle income group domestic consumers, other than BJ/KJ consumers and by considering the projected surplus power available in the State, **decides to enhance the 1st slab billing consumption from the existing 30 units per month to 50 units per month and modified the 2nd slab consumption from the existing 31 units to 100 units per month to 51 units to 100 units per month. The remaining consumption slabs as approved by the Commission in its Tariff Order dated 4th November 2020 shall continue.**

The Commission, as a measure to encourage Ease of Doing Business (EODB) has enhanced the threshold limit of sanction of power to LT2(a) domestic category from the existing upper limit of 67 HP (50 KW) to 201 (150 KW) and accordingly has amended the relevant clause to the Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka (CoS) and other relevant Regulations. With this amendment, the power supply to low tension (LT) consumer's category, under EODB, can be availed upto 150 KW (201 HP). Accordingly, the fixed charges hitherto being levied on the basis of different loads is required to be modified to accommodate the allowable additional load capacity under LT-2 Domestic tariff schedule. Thus, the Commission decides to modify the fixed charges as indicated below:

The Commission also decides to continue with the revised slab system of billing the energy consumption and fixed charges and continue with the two-tier tariff structure in respect of domestic consumers as detailed below:

- (i) Areas coming under Municipal Corporations and all Urban Local Bodies.
- (ii) Areas under Village Panchayats.

The Commission approves the tariff for this category as follows:



Approved Tariff for LT 2 (a) (i) Domestic Consumers Category:
Applicable to Areas coming under City Municipal Corporations and all Urban Local Bodies

Details	Tariff approved by the Commission
Fixed charges per Month	For the first KW: Rs.85
	Rs.95 for every additional KW upto and inclusive of 50 KW
	Rs.150 for every additional KW above 50 KW
Energy Charges up to 50 units per month (upto-30 units)-life line consumption.	Up to 50 units: 405 paise/unit
Energy Charges in case the consumption exceeds 50 units per month	51 to 100 units: 555 paise/unit
	101 to 200 units:710 paise/unit
	Above 200 units: 815 paise/unit

Approved Tariff for LT-2(a) (ii) Domestic Consumers Category:

Applicable to Areas under Village Panchayats

Details	Tariff approved by the Commission
Fixed Charges per Month	For the first KW: Rs.70
	Rs.85 for every additional KW up to and inclusive of 50 KW
	Rs.140 for every additional KW above 50 KW
Energy Charges up to 50 units per month (upto-50 Units)-Lifeline Consumption	Up to 50 units: 395 paise/unit
Energy Charges in case the consumption exceeds 50 units per month	51 to 100 units: 525 paise/unit
	101 to 200 units: 680 paise/unit
	Above 200 units: 765 paise/unit

LT2 (b) Private and Professional Educational Institutions, Private Hospitals and Nursing Homes:

MESCOM's Proposal:

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

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LT 2 (b) (i) Applicable to areas under City Municipal Corporations Areas and all urban Local Bodies

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Rs.85 Per KW subject to a minimum of Rs.110 per month	Rs.125 Per KW subject to a minimum of Rs.150 per month
Energy Charges	For the first 200 units: 715 paise per unit	For the first 200 units: 815 paise per unit
	Above 200 units: 840 paise per unit	For the balance units: 940 paise per unit

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

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Rs.75 per KW subject to a minimum of Rs.95 per Month	Rs.115 per KW subject to a minimum of Rs.135 per Month
Energy Charges	For the first 200 units: 660 paise per unit	For the first 200 units:760 paise per unit
	Above 200 units: 785 paise per unit	For the balance units:885 paise per unit

Commission's decision:

The Commission, as a measure to encourage Ease of Doing Business (EODB) has enhanced the threshold limit of sanction of power to **LT2(b) - Private and Professional Educational Institutions, Private Hospitals and Nursing Homes** category from the existing upper limit of 67 HP (50 KW) to 201 (150 KW) and accordingly has amended the relevant clause to the Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka (CoS) and other relevant Regulations. With this amendment, the power supply to low tension (LT) consumer's category, under EODB, can be availed upto 150 KW (201 HP) under **LT-2(b) Private and Professional Educational Institutions, Private Hospitals and Nursing Homes** tariff schedule. Thus, the Commission decides to modify the fixed charges as indicated below:

As approved in the previous Tariff Order the Commission decides to continue with the two-tier tariff structure as follows:



- (i) Areas coming under City Municipal Corporation and all urban local bodies.
(ii) Areas under Village Panchayats.

Approved Tariff for LT 2 (b) (i)
**Private Professional and other private Educational Institutions, Private Hospitals
and Nursing Homes**
**Applicable to areas under City Municipal Corporations and all other urban
Local Bodies.**

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs.100 per KW subject to a minimum of Rs.125 per Month up to and inclusive of 50 KW
	Rs.155 per KW for every additional KW above 50 KW
Energy Charges	Up to 200 units: 725 paise/unit
	Above 200 units: 850 paise/unit

Approved Tariff for LT 2 (b) (ii)

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

Applicable to Areas under Village Panchayats

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs.90 per KW subject to a minimum of Rs.110 per Month up to and inclusive of 50 KW
	Rs.145 per KW for every additional KW above 50 KW
Energy Charges	Upto 200 units: 670 paise/unit
	Above 200 units: 795 paise/unit

3. LT3- Commercial Lighting, Heating & Motive Power:

MESCOM's Proposal:

The existing and proposed tariff by MESCOM as shown in the following Table:

LT- 3 (i) Commercial Lighting, Heating & Motive Power
**Applicable to Areas coming under City Municipal Corporation and urban local
bodies**

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.90 per KW	Rs.120 per KW
Energy Charges	For the first 50 units:825 paise per unit	For the first 50 units:925 paise per unit
	For the balance units:925 paise per unit	For the balance units: 1025 paise per unit

Demand Based Tariff (optional) where sanctioned load is above 5 KW but below 50 KW.

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed charges	Rs.105 per KW	Rs.145 per KW
Energy Charges	For the first 50 units:825 paise per unit	For the first 50 units:925 paise per unit
	For the balance units:925 paise per unit	For the balance units:1025 paise per unit

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

Applicable to areas under Village Panchayats

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Rs.80 per KW	Rs.110 per KW
Energy Charges	For the first 50 units:775 paise per unit	For the first 50 units:875 paise per unit
	For the balance units:875 paise per unit	For the balance units:975 paise per unit

Demand Based Tariff (optional) where sanctioned load is above 5 KW but below 50 KW

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Rs.95 per KW	Rs.135 per KW
Energy Charges	For the first 50 units:775 paise per unit	For the first 50 units:875 paise per unit
	For the balance units:875 paise per unit	For the balance units:975 paise per unit

Commission's Decision

The Commission, as a measure to encourage Ease of Doing Business (EODB) has enhanced the threshold limit of sanction of power to **LT3 - commercial category** from the existing upper limit of 67 HP (50 KW) to 201 (150 KW) and accordingly has amended the relevant clause to the Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka (CoS) and other relevant Regulations. With this amendment, the power supply to low tension (LT) consumer's category, under EODB, can be availed upto 150 KW (201 HP) under **LT-3 Commercial tariff schedule**. Thus, the Commission decides to modify the fixed charges as indicated below:

As decided in the previous Tariff Order, the Commission decides to continue with the two tier tariff structure as below:

- (i) Areas coming under City Municipal Corporations and other urban local bodies.
- (ii) Areas under Village Panchayats.

**Approved Tariff for LT- 3 (i) Commercial Lighting, Heating& Motive
Applicable to areas under City Municipal Corporations and other Urban Local
Bodies**

Details	Approved by the Commission
Fixed Charges per Month	Rs.105 per KW up to and inclusive of 50 KW
	Rs.205 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units: 835 paise/ unit
	For the balance units: 935 paise/unit

**Approved Tariff for Demand based tariff (Optional) where sanctioned
load is above 5 kW but below 150 kW**

Details	Approved by the Commission
Fixed Charges per Month	Rs.120 per KW up to and inclusive of 50 KW
	Rs.220 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:835 paise /unit
	For the balance units: 935 paise/unit

**Approved Tariff for LT-3 (ii) Commercial Lighting, Heating and Motive
Applicable to areas under Village Panchayats**

Details	Approved by the Commission
Fixed charges per Month	Rs.95 per KW up to and inclusive of 50 KW
	Rs.195 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:785 paise per unit
	For the balance units: 885 paise per unit

**Approved Tariff for Demand based tariff (Optional)where sanctioned
load is above 5 kW but below 150 kW**

Details	Approved by the Commission
Fixed Charges per Month	Rs.110 per KW up to and inclusive of 50 KW
	Rs.210 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units: 785 paise per unit
	For the balance units: 885 paise per unit

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4. LT4-Irrigation Pump Sets:**MESCOM's Proposal:**

The existing and proposed tariff for LT4 (a) as shown in the following Table:

**LT-4 (a) Irrigation Pump Sets
Applicable to IP sets up to and inclusive of 10 HP**

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Nil	Nil
Energy charges	CDT 581 paise per unit	CDT of 738 paise per unit

Commission's Decision

The Government of Karnataka has extended free supply of power to farmers as per the Government Order No. EN 55 PSR 2008 dated 04.09.2008. As per this policy of GoK, **the entire cost of supply** to IP sets upto and inclusive of 10 HP is being borne by the GoK through tariff subsidy. In view of this, all the consumers under the existing LT-4(a) tariff are covered under fully subsidised supply of power.

Considering the cross subsidy contribution from categories other than IP Sets and BJ/KJ Categories, the Commission determines the tariff for IP Sets under LT4(a) category as follows:

Approved CDT for IP Sets for FY22

Sl. No.	Particulars	MESCOM
1	Approved ARR in Rs. Crores	4507.65
2	Sales to BJ/KJ installations – MU	32.12
3	Sales to IP set installations – MU	1892.09
4	Sales to other than BJ/KJ and IP set installations in MU	3753.48
5.	Total Sales in MU (2 + 3 + 4)	5677.69
6	Average Cost of supply in Rs. Per unit (1 / 5 * 10)	7.939
7.	Cost of supply – other than IP sets / BJ/KJ sales (4 * 6 / 10)	2979.97
8.	Revenue from other than IP & BJ/KJ installations in Rs. Crores	3363.92
9	Cross subsidy from other than IP & BJ/KJ installations in Rs.Crores (8 – 7)	383.95

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10	Cost of supply to BJ/KJ installations in Rs.Crores (2 * 6 /10)	25.50
11	Revenue from sales to BJ/KJ installations in Rs.Crores	25.50
12	Cost of supply to IP sets sales in Rs.Crores (3 * 6 /10)	1502.17
13	Revenue to be collected from IP set installations (12 – 9)	1118.23
14	Approved sales to IP set in MU	1892.09
15	Commission determined tariff (CDT) for IP set category for FY22 in Rs. Per unit (13 / 14 * 10)	5.91

Accordingly, the Commission decides to approve tariff of Rs.5.91 per unit as CDT for FY22 for IP Set category under LT4 (a). In case the GoK does not release the subsidy in advance, the tariff of Rs.5.91 per unit shall be demanded and collected from these consumers.

Approved by the Commission

LT-4 (a) Irrigation Pump Sets

Applicable to IP sets up to and inclusive of 10 HP

Details	Approved by the Commission
Fixed charges per Month Energy charges	Nil*
CDT (Commission Determined Tariff): 591 paise per unit	

***In Case the GoK does not release the subsidy in advance, in the manner specified by the Commission in clause 6.1 of the KERC (Manner of Payment of Subsidy) Regulations, 2008, CDT of Rs.5.91 per unit shall be demanded from these consumers.**

The Commission has been issuing directives to ESCOMs for conducting Energy Audit at the Distribution Transformer Centre (DTC)/feeder level for proper assessment of distribution losses and to enable detection and prevention of commercial loss. In view of undertaking feeder segregation under NJY scheme, Deen Dayal Upadhyaya Gramma Jyothi Yojana, the ESCOMs including MESCOM were also directed to submit IP set consumption on the basis of the meter readings of the 11 kV feeders at the sub-station level duly deducting the energy losses in 11kV lines, distribution transformers & LT lines, in order to compute the consumption of power by IP sets accurately. Further, in the Tariff Order 2016, the ESCOMs including MESCOM were also directed to take up enumeration of IP sets, 11 KV feeder-wise by capturing the GPS co-ordinates of each live IP set in their jurisdiction. In this regard, the Commission has noted that the ESCOMs

Cell/gms

have not fully complied with these directions and have initiated measures to achieve full compliance. The MESCOM need to ensure full compliance as this has direct impact on their revenues and tariff payable by other categories of consumers.

The Government of Karnataka in its budget for the financial year 2021-22 has allocated an amount of **Rs. 11376.00 Crores** for the subsidized supply to BJ/KJ and IP sets installations in accordance with the Policy of the Government in the matter of free supply to BJ/KJ consumers (consuming up to 40 Units) and IP sets consumers with a sanctioned load of 10 HP and below. Accordingly, the Commission is of the view that, to tide over the present financial condition, the ESCOMs need to minimise their subsidy requirement to the extent of amount of subsidy provided in the budget, by restricting the power supply to IP installations.

The Commission notes that, as per the provisions of the Electricity Act, 2003 and the Policy of the State Government to supply free power to BJ/KJ installations (consuming up to 40 Units per month) and IP Sets installations having sanctioned load of 10 HP and below, the Government has to fully meet the cost of such subsidized supply. The Commission makes it clear that any short fall in subsidy on account of increase in the IP sales beyond the sales approved by the Commission will not be passed on to the GoK unless there is any commitment / consent from the GoK and also on to the other consumers, who are already paying tariffs with high level of cross subsidies. Any increase on such higher tariff of other consumers would correspondingly increase the cross subsidy levels, which would be against the provisions of the Electricity Act and the Tariff Policy, that emphasize gradual reduction in cross subsidy at a level not exceeding plus or minus 20% of the cost of supply.

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

The ESCOMs including MESCOM shall manage supply of power to the IP sets for the FY22, to ensure that it is within the quantum of subsidy committed by the GoK. While doing so, they shall procure power proportionate to such supply. In case the ESCOMs choose to supply power to the IP sets in excess of IP Sales approved by the Commission as per the written consent /commitment from the GOK or to



the quantum of amount of subsidy made available by the GoK for FY22, the difference in the amount of subsidy relating to such supply shall be claimed from the GoK. If the difference in subsidy is not paid by the GoK, the same shall be collected from the IP set consumers.

In case the ESCOMs choose to supply power to the IP sets in excess of IP Sales approved by the Commission without obtaining the consent /commitment from the GoK, the consequential short fall in subsidy will not be passed on to the GoK and also the short fall in revenue will not be passed on to the other consumers.

LT4 (b) Irrigation Pump Sets above 10 HP:

MESCOM's Proposal

The 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 2020 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.80 per HP	Rs.120 per HP
Energy charges for the entire consumption	375 paise per unit	475 paise per unit

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

LT-4 (c) (i) - Applicable to Private Horticultural Nurseries, Coffee, Tea & Rubber plantations up to & inclusive of 10 HP

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.70 per HP	Rs.110 per HP
Energy charges for the entire consumption	375 paise per unit	475 paise per unit

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

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.80 per HP	Rs.120 per HP
Energy charges for the entire consumption	375 paise per unit	475 paise per unit

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Approved Tariff:

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

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

Fixed charges per Month	Rs.90 per HP
Energy charges for the entire consumption	385 paise/unit

LT-4(c)- Applicable to private Horticultural of Nurseries, coffee, Tea and Rubber Plantations.

The Commission, with a view to rationalise the tariff structure, in line with the Tariff Policy of the Government of India, decides to merge the tariff schedule LT-4 (c) (i) with the sanctioned load upto and inclusive of 10 HP and LT-4(c)(ii) with sanctioned load above 10 HP by renaming it as LT-4(c) tariff schedule applicable to private Horticultural of Nurseries, coffee, Tea and Rubber Plantations.

Approved Tariff:

The Commission decides to revise the tariff in respect of LT4(c) category as under:

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

Fixed charges per Month	Rs.80 per HP
Energy charges	385 paise / unit

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

The existing and proposed tariffs are given in following Table:



LT-5 (a) LT Industries:**Applicable to arrears under City Municipal Corporation****i) Fixed charges**

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed charges per Month	i) Rs. 65 per HP for 5 HP & below ii) Rs.70 per HP for above 5 HP & below 40 HP iii) Rs.90 per HP for 40 HP & above but below 67 HP iv)Rs.150 per HP for 67 HP & above	i) Rs. 105 per HP for 5 HP & below ii) Rs. 110 per HP for above 5 HP & below 40 HP iii) Rs.130 per HP for 40 HP & above but below 67 HP iv)Rs.190 per HP for 67 HP & above

Demand based Tariff (Optional)

Details	Description	Existing Tariff as per 2020 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.85 per KW of billing demand	Rs.125 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.115 per KW of billing demand	Rs.155 per KW of billing demand
	67 HP and above	Rs.200 per KW of billing demand	Rs.240 per KW of billing demand

ii) Energy Charges

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
For the first 500 units	570 paise per unit	670 paise/ unit
For next 500 units	670 paise per unit	770 paise /unit
For the balance unit	700 paise per unit	800 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 2020 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	i)Rs.55 per HP for 5 HP & below ii) Rs.65 per HP for above 5 HP & below 40 HP iii) Rs.85 per HP for 40 HP & above but below 67 HP iv)Rs.135 per HP for 67 HP & above	i) Rs.95 per HP for 5 HP & below ii) Rs.105 per HP for above 5 HP & below 40 HP iii) Rs.125 per HP for 40 HP & above but below 67 HP iv)Rs.175 per HP for 67 HP & above



Demand based Tariff (optional)

Details	Description	Existing Tariff as per 2020 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.80 per KW of billing demand	Rs.120 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.110 per KW of billing demand	Rs.150 per KW of billing demand
	67 HP and above	Rs.190 per KW of billing demand	Rs.230 per KW of billing demand

ii) Energy Charges

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
For the first 500 units	560 paise per unit	660 paise/ unit
For the next 500 units	655 paise per unit	755 paise/ unit
For the balance units	685 paise per unit	785 paise/ unit

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

Time of Day	Increase (+) / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	(+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	(-) 100 paise per unit

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

Time of Day	Increase (+) / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	(+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	(-) 100 paise per unit

Commission's Decision:

- Enhancement of maximum threshold limit of 67 HP up to 201 HP to provide for Easy of Doing Business (EODB):**

As per the existing regulations, industries were permitted to avail power supply under LT category with a maximum sanctioned load of 67 HP (50 KW).

Industries requiring power exceeding 67 HP were required to take HT supply under HT2a category.

As one of the measures to encourage Ease of Doing Business (EODB), as per the direction of the GoI, the Government of Karnataka had requested the Commission to consider enhancing the threshold limit of sanction of power to LT Industries from the existing upper limit of 50 KW (67 HP) to 150 KW (201 HP). Hence, the Commission has considered the Government of Karnataka request and has decided to adopt the measures of EODB. The Commission has suitably amended the relevant clause to the Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka (CoS) and other relevant Regulations. With the amendment to the CoS, the power supply under low tension (LT) under EODB can be availed upto 150 KW (201 HP) by the consumer. Accordingly, the fixed charges hitherto levied under different slabs on load basis was required to be modified to accommodate the allowable additional load capacity under LT Industrial Tariff (LT-5) Schedule. Thus, the Commission decides to modify the fixed charges from the existing 4 slabs to 5 slabs as under:

- i) 1st slab for 5 HP & below.
- ii) 2nd slab above 5 HP & below 40 HP.
- iii) 3rd slab 40 HP & above but below 67 HP.
- iv) 4th slab 67 HP & above but below 100 HP
- v) 5th slab 100 HP and above

The decision of the Commission in its earlier Tariff Orders, providing for mandatory Time of Day Tariff for HT2(a), HT2(b) and HT2(c) consumers with a contract demand of 500 KVA and above, is continued. The existing optional ToD will continue for HT2(a), HT2(b) and HT2(c) consumers with contract demand of less than 500 KVA. Further, for LT5 and HT1 consumers, the existing optional ToD is continued.

The Commission also decides to continue with the existing two tier tariff structure as follows:



- i) LT5 (a): For areas falling under Municipal Corporations
 ii) LT5 (b): For areas other than those covered under LT5 (a) above.

Approved Tariff:

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

Approved Tariff for LT 5 (a):**Applicable to areas under City Municipal Corporations****i) Fixed charges**

Details	Approved by the Commission
Fixed Charges per Month	i) Rs.75 per HP for 5 HP & below ii) Rs.85 per HP for above 5 HP & below 40 HP iii)Rs.105 per HP for 40 HP & above but below 67 HP iv)Rs.170 per HP for 67 HP & above but below 100 HP v) Rs.200 per HP for 100 HP and above

Demand Based Tariff (optional)

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.100 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.130 per KW of billing demand
	67 HP and above but below 100 HP	Rs.220 per KW of billing demand
	100 HP and above	Rs.230 per KW of billing demand

Energy Charges

Details	Approved by the Commission
For the first 500 units	580 paise/unit
For the next 500 units	680 paise/ unit
For the balance units	710 paise/ unit



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

Details	Approved Tariff
Fixed Charges per Month	i) Rs.65 per HP for 5 HP & below. ii) Rs.80 per HP for above 5 HP & below 40 HP. iii) Rs.100 per HP for 40 HP & above but below 67 HP. iv) Rs.155 per HP for 67 HP & above but below 100 HP v) Rs.185 per HP for 100 HP and above

ii) Demand Based Tariff (optional)

Details	Description	Approved Tariff
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.95 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.125 per KW of billing demand
	67 HP and above but below 100 HP	Rs.210 per KW of billing demand
	100 HP and above	Rs.220 per KW of billing demand

iii) Energy Charges:

Details	Approved tariff
For the first 500 units	570 paise/ unit
For the next 500 units	665 paise/ unit
For the balance units	695 paise/unit

As discussed earlier in this chapter the approved ToD Tariff for LT5 (a) & (b): At the option of the consumers is as under:

for LT5 (a) & (b): At the option of the consumers

Time of Day	Increase (+) / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

6. LT6 Water Supply Installations and Street Lights:

MESCOM's Proposal:

The existing and the proposed tariffs are given in the following Table:

LT-6(a): Water Supply

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.85/HP/month	Rs.125/HP/month
Energy charges	485 paise/unit	585 paise/unit

LT-6 (b): Public Lighting

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.100/KW/month	Rs.140/KW/month
Energy charges without LED bulbs	650 paise/unit	750 paise/unit
Energy charges for LED / Induction	545 paise/unit	645 paise/unit

LT-6(c)- Electric Vehicle Charging Stations/ Battery Swapping Stations (For Both LT & HT)

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
Fixed /Demand charges per KW /KVA	For LT - Rs.70 /KW/month For HT –Rs.200/KVA / month	For LT - Rs.110 / KW / month For HT –Rs.300 / KVA / month
Energy charges (for both LT & HT)	500 paise/unit	600 paise/unit

Commission's Decision:

The Commission, as a measure to encourage Ease of Doing Business (EODB) has enhanced the threshold limit of sanction of power to **LT6(a) – Water Supply and LT6(c) Electric Vehicle Charging Stations and Battery Swapping Stations under LT category** from the existing upper limit of 67 HP (50 KW) to 201 (150 KW) and accordingly has amended the relevant clause to the Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka (CoS) and other



relevant Regulations. With this amendment, the power supply to low tension (LT) consumer's category, under EODB, can be availed upto 150 KW (201 HP) under **LT6(a) – Water Supply tariff schedule and LT6(c) Electric Vehicle Charging Stations and Battery Swapping Stations under LT tariff schedule**. Thus, the Commission decides to modify the fixed charges as indicated below:

The Commission approves the tariff for these categories as follows:

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

Details	Approved Tariff
Fixed Charges per Month	Rs.95/HP/month up to 67 HP Rs.195/HP/Month for every additional HP above 67 HP
Energy charges	495 paise/unit

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

Details	Approved Tariff
Fixed charges per Month	Rs.110 /KW/month
Energy charges	660 paise/unit
Energy charges for LED / Induction Lighting	555 paise/unit

Approved Tariff by the Commission for LT-6 (c)

Electric Vehicle Charging Stations* and

Battery Swapping Stations* (For Both LT & HT)

During the Tariff Proceedings, BMTC has filed objection/ suggestion on the ESCOMs' tariff petition to extend the concessional/ ToD tariff for the power utilised to charge the Electric Motor Vehicle (buses) at the BMTC's charging stations, under HT supply under LT6(c) tariff schedule. The Commission, keeping in view the benefits of usage of electric buses by the public, as a public mode of transport, which are also environmental friendly, decided to allow the applicability of ToD tariff for the power supply availed under HT supply for charging to Electric Motor Vehicle in the Depots of BMTC / Depots of KSTRC



/NEKRTC (North Eastern Karnataka Road Transport Corporation)/ NWKRTC (North Western Karnataka Road Transport Corporation) as well.

Tariff Approved by the Commission for LT-6(c)- Electric Vehicle Charging Stations* / Battery Swapping Stations*

Details	Approved Tariff
Fixed /Demand charges per KW /KVA	For LT - Rs.70 /KW/month upto 50 KW For LT - Rs.170 / KW / Month for every additional KW above 50 KW For HT -Rs.200/KVA/month
Energy charges (for both LT & HT)	500 paise/unit

* Defined as per MoP's Guidelines & Standards on "Charging Infrastructure for Electric Vehicles"

As discussed earlier in this chapter, the approved ToD Tariff for LT6 (c) tariff schedule applicable for the power supply availed under HT supply for charging Electric Motor Vehicle in the Depots of BMTC / Depots of KSTRC / NEKRTC / NWKRTC.

ToD Tariff

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

**7. LT 7- Temporary Supply & Permanent supply to Advertising Hoardings:
MESCOM's Proposal:**

The existing rate and the proposed rate are given below:

**Tariff Schedule LT-7(a)
Applicable to Temporary Power Supply for all purposes.**

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
a) Less than 67 HP:	Energy charge at 1100 paise per unit subject to a weekly minimum of Rs.225 per KW of the sanctioned load.	Energy charge at 1200 paise per unit subject to a weekly minimum of Rs.265 per KW of the sanctioned load.

TARIFF SCHEDULE LT-7(b)

Applicable to power supply to Hoardings & Advertisement boards on Permanent connection basis.

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
a) Less than 67 HP:	Fixed Charge Rs.100 per KW/ month of the sanctioned load.	Fixed Charge Rs.140 per KW/ month of the sanctioned load.
	Energy charge at 1100 paise per unit	Energy charge at 1200 paise per unit

Commission's decision:

As decided in the previous Tariff Order, the tariff specified for installations with sanctioned load / contract demand above 67 HP shall continue to be covered under the HT temporary tariff category under HT5.

With this, the Commission decides to approve the tariff for LT-7 category as follows:

TARIFF SCHEDULE LT-7(a)

Tariff Approved to Temporary Power Supply for all purposes.

LT 7(a)	Details	Approved Tariff
Temporary Power Supply for all purposes.	Less than 67 HP:	Energy charges at 1110 paise / unit subject to a weekly minimum of Rs.250 per KW of the sanctioned load.

TARIFF SCHEDULE LT-7(b)

Approved Tariff to Hoardings & Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the interest of public such as Police Canopy Direction boards, and other sign boards sponsored by Private Advertising Agencies / firms on permanent connection basis.

LT 7(b)	Details	Approved Tariff
Power supply on permanent connection basis	Less than 67 HP:	Fixed Charges at Rs.125 per KW / month Energy charges at 1110 paise / unit

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

The Commission decides to continue with the mandatory Time of Day Tariff for HT2 (a), HT-2(b) and HT2(c) consumers with a contract demand of 500 KVA and above. Further, the optional ToD will continue as existing for HT2 (a), HT-2(b) and HT2 (c) consumers with contract demand of less than 500 KVA. ToD Tariff at the option is applicable to the HT installations availing power supply for charging Electric Motor Vehicle in the Depots of BMTC and KSRTC / NEKRTC / NWKRTC Depots. The details of ToD tariff are indicated under the respective tariff category.

The increase in billing demand to 85% of the CD, is hereby continued for billing of all the HT installations.

8. HT1- Water Supply & Sewerage**MESCOM's Proposal:**

The existing and proposed tariff are as given below:

The Existing and the proposed tariff – HT-1 Water Supply and Sewerage Installations.

Sl. No.	Details	Existing tariff as per 2020 Tariff Order	Proposed by MESCOM
1	Demand charges	Rs.220 / kVA of billing demand / month	Rs.320 / kVA for billing demand / month
2	Energy charges	545 paise per unit	645 paise per unit

Existing ToD tariff to HT-1 tariff to Water Supply & Sewerage installations at the option of the consumer

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit
22.00 Hrs to 06.00 Hrs	(-) 100 Paise per unit



Proposed ToD Tariff to HT-1 category:

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit
22.00 Hrs to 06.00 Hrs	(-) 100 Paise per unit

Commission's decision:

As discussed earlier in this chapter, the Commission approves the tariff for HT 1 Water Supply & Sewerage category as below:

Details	Approved Tariff for HT 1
Demand charges	Rs.230 / kVA of billing demand / month
Energy charges	555 paise/ unit

Approved ToD Tariff

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 hours	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

9. HT2 (a) – HT Industries**MESCOM's Proposal:**

The existing and proposed tariff are as shown in the following Table:

HT-2(a) Industries**Applicable to all areas of MESCOM**

Details	Existing tariff as per Tariff Order 2020	Proposed by MESCOM
Demand charges	Rs.220 / kVA of billing demand / month	Rs.320 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	720 paise per unit	820 paise per unit
(ii) For the balance units	745 paise per unit	845 paise per unit



Railway traction under HT2 (a).

Details	Existing tariff as per Tariff order 2020	Proposed by MESCOM
Demand charges	Rs.230 / kVA at billing demand / month	Rs.330 / kVA of billing demand / month
Energy charges	645 paise per unit for all the units	745 paise per unit for all the units

Effluent Treatment Plants independently serviced outside the premises of installation under HT2(a)

Details	Existing tariff as per Tariff order 2020	Proposed by MESCOM
Demand charges	Rs. 230 / kVA at billing demand / month	Rs. 330 / kVA of billing demand / month
Energy charges	685 paise per unit for all the units	785 paise per unit for all the units

Existing ToD Tariff for HT-2(a)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	(-) 100 Paise per unit

Proposed ToD Tariff for HT-2(a)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	(-) 100 Paise per unit

Commission's Decision:

Commission hereby continues to allow billing of the electricity consumed by the effluent treatment plants and Drainage Water Treatment plants from the main meter or by sub-meter, at the same tariff schedule as applicable to the HT installations for which the power supply is availed.



Approved Tariff for HT – 2 (a):

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

Applicable to all areas under MESCOM

Details	Tariff approved by the Commission
Demand charges	Rs. 240 / kVA of billing demand / month
Energy charges	
For the first one lakh units	730 paise/ unit
For the balance units	755 paise/ unit

As discussed earlier of this Chapter, the approved ToD tariff to HT2(a) tariff.

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 hours	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (Monsoon period) 0
	From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next day)	From July to November (Monsoon period) 0
	From December to June (-) 100 paise per unit

Note: ToD Tariff is not applicable to Railway Traction installations.

Railway Traction under HT2(a)

Details	Tariff approved by the Commission
Demand charges	Rs.250 / kVA of billing demand / month
Energy charges	655 paise / unit for all the units

The Commission, by considering the concessional tariff extended to the Railway traction, decides that Special Incentive Scheme and ToD tariff shall not be extended to the Railway traction installations. However, they are eligible to avail the new “Discounted Energy Rate Scheme”.

Effluent Treatment Plants independently serviced outside the premises of any installation under HT2(a)

Details	Tariff approved by the Commission
Demand charges	Rs.250 / kVA of billing demand / month
Energy charges	695 paise / unit for all the units

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

10. HT-2 (b) HT Commercial**MESCOM's Proposal:**

The existing and proposed tariff are as given below:

Existing and proposed tariff HT – 2 (b) HT Commercial**Applicable to all areas of MESCOM**

Details	Existing tariff as per Tariff Order 2020	Proposed by MESCOM
Demand charges	Rs.240 / kVA of billing demand / month	Rs.340 / kVA of billing demand / month
Energy charges		
(i) For the first two lakh units	890 paise per unit	990 paise per unit
(ii) For the balance units	900 paise per unit	1000 paise per unit

Existing ToD Tariff for HT-2(b)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	(-) 100 Paise per unit

Proposed ToD Tariff for HT-2(b)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	(-) 100 Paise per unit

Commission's Decision:

The Commission, as per the decision in Tariff Order Dated 30th May, 2019, decides to continue to include all the activities listed under LT3 tariff schedule shall also be considered to be billed under HT2(b) tariff schedule by including the additional nomenclature - 'all the activities listed under LT3 tariff schedule and



not included under HT2(b) tariff schedule shall be classified and billed under HT-2(b), if they avail power under HT supply.

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

Approved tariff for HT – 2 (b) - HT Commercial
Applicable to all areas of MESCOM

Details	Tariff approved by the Commission
Demand charges	Rs.260/ kVA of billing demand / month
Energy charges	
(i) For the first two lakh units	900 paise per unit
(ii) For the balance units	910 paise per unit

As discussed in this Chapter, the approved ToD Tariff to HT2(b) is as follows:

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 hours	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (Monsoon Period) 0
	From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next day)	From July to November (Monsoon Period) 0
	From December to June (-) 100 paise per unit

11. HT – 2 (c) – Applicable to Hospitals and Educational Institutions:

The existing and proposed tariff are given below:

Existing and proposed tariff for HT – 2 (c) (i)

Applicable to Government Hospitals & Hospitals run by Charitable Institutions & ESI Hospitals and Universities, Educational Institutions belonging to Government, Local Bodies and Aided Educational Institutions and Hostels of all Educational Institutions:

Details	Existing tariff as per Tariff Order 2020	Proposed by MESCOM
Demand charges	Rs.220 / kVA of billing demand / month	Rs.320 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	705 paise per unit	805 paise per unit
(ii) For the balance units	745 paise per unit	845 paise per unit

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Existing and proposed tariff for HT – 2 (c) (ii) –

**Applicable to Hospitals and Educational Institutions
other than those covered under HT2(c) (i)**

Details	Existing tariff as per Tariff Order 2020	Proposed by MESCOM
Demand charges	Rs. 220 / kVA of billing demand / month	Rs. 320 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	805 paise per unit	905 paise per unit
(ii) For the balance units	845 paise per unit	945 paise per unit

Existing ToD Tariff for HT-2(c)(i) & (ii)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit
22.00 Hrs to 06.00 Hrs	(-) 100 Paise per unit

Proposed ToD Tariff for HT-2(c) (i) & (ii)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	(+) 100 Paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	(-) 100 Paise per unit

Commission's Decision:

The Commission approves the following tariff for HT2(c) consumers.

Approved tariff for HT – 2 (c) (i)

**Applicable to Government Hospitals, Hospitals run by Charitable Institutions, ESI
Hospitals, Universities and Educational Institutions belonging to Government &
Local Bodies, Aided Educational Institutions and Hostels of all Educational
Institutions**

Details	Approved Tariff
Demand charges	Rs.240/ kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	715 paise per unit
(ii) For the balance units	755 paise per unit

Approved tariff for HT – 2 (c) (ii)

**Applicable to Hospitals/Educational Institutions
other than those covered under HT2(c) (i)**

Details	Approved Tariff
Demand charges	Rs.240 / kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	815 paise per unit
(ii) For the balance units	855 paise per unit

The approved ToD Tariff to HT-2(c) (i) & (ii) is as under:

As discussed earlier in this Chapter approved ToD Tariff to HT-2(c) (i) & (ii)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (Monsoon Period) 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next day)	From July to November (Monsoon Period) 0 From December to June (-) 100 paise per unit

12. HT-3(a) Lift Irrigation Schemes under Government Departments / Government owned Corporations/ Lift Irrigation Schemes under Private Societies:

The existing and proposed tariff are given in the following Table:

Existing and proposed tariff for HT3 (a) –Lift Irrigation Schemes

HT3(a) (i) Applicable to LI Schemes under Government Departments / Government owned Corporations

Details	Existing charges as per Tariff Order 2020	Proposed by MESCOM
Energy charges/ Minimum charges	300 paise / unit Subject to an annual minimum of Rs.1600 per HP / annum	400 paise / unit Subject to an annual minimum of Rs.1700 per HP / annum



**HT 3(a) (ii) Applicable to Private LI Schemes and Lift Irrigation Societies:
fed through Express / Urban feeders**

Details	Existing Tariff as per Tariff Order 2020	Proposed by MESCOM
Fixed charges	Rs. 80 / HP / Month of sanctioned load	Rs. 180 / HP / Month of sanctioned load
Energy charges	300 paise / unit	400 paise / unit

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

Details	Existing Tariff as per Tariff Order 2020	Proposed by MESCOM
Fixed charges	Rs.60 / HP / Month of sanctioned load	Rs.160 / HP / Month of sanctioned load
Energy charges	300 paise / unit	400 paise / unit

Commission's Decision:

The Commission approves the following tariff for HT3(a) consumers:

Approved tariff for HT 3 (a) (i)

Applicable to LI schemes under Government Department/ Government owned Corporations

Energy charges / Minimum charges	310 paise/ unit subject to an annual minimum of Rs.1720 per HP / annum
-------------------------------------	---

Approved tariff for HT 3 (a) (ii)

**Applicable to Private LI Schemes and Lift Irrigation Societies fed through
express/ urban feeders:**

Fixed charges	Rs.95 / HP / Month of sanctioned load
Energy charges	310 paise / unit

Approved tariff for HT 3 (a) (iii)

**Applicable to Private LI Schemes and Lift Irrigation Societies other than those
covered under HT 3 (a) (ii)**

Fixed charges	Rs.75 / HP / Month of sanctioned load
Energy charges	310 paise / unit

(Signature)

13. HT3 (b) Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Coconut & Arecanut Plantations:

MESCOM's Proposal:

The existing and the proposed tariff are given below:

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

Details	Existing Tariff Order 2020	Proposed by MESCOM
Energy charges / minimum charges	500 paise / unit subject to an annual minimum of Rs.1600 per HP of sanctioned load	600 paise / unit subject to an annual minimum of Rs.1700 per HP of sanctioned load

Commission's Decision:

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

Approved Tariff

HT3 (b)- Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Rubber, Coconut & Arecanut Plantations:

Details	Approved Tariff
Energy charges / minimum charges	510 paise / unit subject to an annual minimum of Rs.1780 per HP of sanctioned load

14. HT4- Residential Apartments/ Colonies:

MESCOM's Proposal:

The existing and the proposed tariff for this category are given below:

**Existing and proposed tariff for HT – 4 - Residential Apartments/ Colonies
HT – 4 Applicable to all areas.**

Details	Existing Tariff Order 2020	Proposed by MESCOM
Demand charges	Rs.140 / kVA of billing demand	Rs.240/ kVA of billing demand
Energy charges	690 paise per unit	790 paise/ unit

Commission's Decision:

As discussed earlier in this chapter, the Commission approves the tariff for this category as indicated below:



Approved tariff**HT – 4 Residential Apartments/ Colonies Applicable to all areas**

Demand charges	Rs.155 / kVA of billing demand
Energy charges	700 paise/ unit

15. TARIFF SCHEDULE HT-5**MESCOM's Proposal:**

The existing and the proposed tariffs are given below:

HT – 5 – Temporary supply

67 HP and above:	Existing Tariff Order 2020	Proposed by MESCOM
Fixed charges / Demand Charges	Rs.275/HP/month for the entire sanction load / contract demand	Rs.375/HP/month for the entire sanction load / contract demand
Energy Charges	1100 paise / unit	1200 paise / unit

Commission's Views/Decisions:

The approved tariff in respect of HT-5 is as under:

TARIFF SCHEDULE HT-5

- (i) As approved in the Commission's Tariff Order dated 6th May, 2013, this Tariff is applicable to 67 HP and above hoardings, advertisement boards and construction-power for industries excluding those categories of consumers covered under HT2(b) Tariff schedule availing power supply for construction power for irrigation and power projects and is also applicable to power supply availed on temporary basis with the contract demand of 67 HP and above of all categories.

Approved Tariff for HT – 5 – Temporary supply

67 HP and above:	Approved Tariff
Fixed Charges / Demand Charges	Rs.300 /HP/month for the entire sanction load / contract demand
Energy Charges	1110 paise / unit

The Approved Tariff schedule for FY22 is enclosed in **Annexure– V** of this Order.

6.8 Wheeling and Banking Charges:

MESCOM has proposed wheeling charges of 45 paise/unit and 106 paise/unit for HT network and LT network, respectively. Further it is stated that proposed technical losses of 3.78-% at HT level and 6.31% at LT level are applicable.

MESCOM submitting details of wheeling transactions by RE sources, has stated that the same is increasing year on year. It is also submitted that transmission and distribution maintenance is also increasing and that the increased wheeling & banking arrangements are impacting the tariff charged to LT categories considerably. Hence, MESCOM has requested the Commission to levy all charges as applicable to other OA/wheeling transactions for RE sources also.

Regarding banking the MESCOM has concurred with the decision of the Commission in the order dated 09.01.2018, reducing the banking facility to six months and that energy banked during peak ToD hours only can be drawn during peak hours and not otherwise. The Commission notes that the above order of the Commission has been set aside by the Hon'ble ATE and now the matter is pending before the Hon'ble Supreme court.

The Commission in its preliminary observation had directed, MESCOM to make necessary analysis to substantiate that the banking arrangements are impacting the tariff of LT consumers considerably.

MESCOM in its replies has submitted that the liability on MESCOM in FY20 due to 7,39,345 units banked is Rs. 21,98,603.

While the Commission has noted the reply furnished by MESCOM, the Commission has requested the GoK vide letter dated 03.02.21, to prevail upon ESCOMs, to conduct studies regarding impact of concessional wheeling and banking extended to RE sources, on ESCOMs. After receiving the report, the Commission would take appropriate action in the matter.

The approach of the Commission regarding wheeling & banking charges is discussed in the following paragraphs:



The Commission has considered the approved ARR pertaining to distribution wires business and has proceeded determining the wheeling charges as detailed in the following paragraphs:

6.8.1 Wheeling within MESCOM Area:

The allocation of the distribution network costs to HT and LT networks for determining wheeling charges is done in the ratio of 30:70, as was being done earlier. Based on the approved ARR for distribution business, the wheeling charges to each voltage level is worked out as under:

TABLE – Wheeling Charges

Distribution ARR-Rs. Crs	759.73
Sales-MU	5677.69
Wheeling charges- paise/unit	133.81
	Paise/unit
HT-network	40.14
LT-network	93.67

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

Loss allocation	% loss
HT	3.46
LT	5.76

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

The actual wheeling charges payable (after rounding off) will depend upon the point of injection & point of drawal as under:

Injection point →	paise/unit	
	HT	LT
Drawal point ↓		
HT	40(3.46%)	134(9.22%)
LT	134(9.22%)	94(5.76%)

Note: Figures in brackets are applicable loss

Clear/gms

The wheeling charges as determined above are applicable to all the open access / wheeling transactions for using the MESCOM network only, except for energy transmitted or wheeled from renewable sources to the consumers within the State.

6.8.2 WHEELING OF ENERGY USING TRANSMISSION NETWORK OR NETWORK OF MORE THAN ONE LICENSEE

6.8.3 In case the wheeling of energy [other than RE sources wheeling to consumers within the State] involves usage of Transmission network or network of more than one licensee, the charges shall be as indicated below:

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

Illustration 1:

If a transaction involves transmission network & MESCOM's network and 100 units is injected, then at the drawal point the consumer is entitled for 88.08 units, after accounting for Transmission loss of 2.978% & MESCOM's technical loss of 9.22%.

The Transmission charge in cash as determined in the Transmission Tariff Order shall be payable to KPTCL & Wheeling Charge of 134 paise per unit shall be payable to MESCOM. In case more than one ESCOM is involved, the above 134 paise shall be shared by all the ESCOMs involved.

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



Illustration 2:

If a transaction involves injection to BESCOM's network & drawal at MESCOM's network, and 100 units is injected, then at the drawal point the consumer is entitled for 90.78 units, after accounting MESCOM's technical loss of 9.22%.

The Wheeling charge of 134 paise per unit applicable to MESCOM shall be equally shared between MESCOM & BESCOM.

As the actual normal network charges depend upon the point of injection and point of drawal, the following broad guidelines may be followed by the licensees, while working out the charges:

Injection point →	KPTCL Network	BESCOM Network	MESCOM Network	CESC Network	HESCOM Network	GESCOM Network
Drawal point ↓						
KPTCL Network	Transmission charges & Losses as per KPTCL's Order	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn
BESCOM Network	Transmission charges & Losses as per KPTCL's Order and BESCOM's wheeling charges & Technical losses as per Illustration-1 of BESCOM's Tariff Order	BESCOM's network charges and technical losses as per BESCOM's tariff order under the heading 'wheeling within BESCOM area' which again depends on point of injection or drawal	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order
MESCOM Network	Transmission charges & Losses as per KPTCL's Order and MESCOM's wheeling charges & Technical losses as per Illustration-1 of MESCOM's Tariff Order	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per MESCOM's tariff order under the heading 'wheeling within MESCOM area' which again depends on point of injection or drawal	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order
CESC Network	Transmission charges & Losses as per KPTCL's Order	CESC's network charges and technical losses as per Illustration-	CESC's network charges and technical losses as per	CESC's network charges and technical losses as per CESC's	CESC's network charges and technical losses as per	CESC's network charges and technical losses as per

Injection point →	KPTCL Network	BESCOM Network	MESCOM Network	CESC Network	HESCOM Network	GESCOM Network
Drawal point ↓						
	and CESC's wheeling charges & Technical losses as per Illustration-1 of CESC's Tariff Order	2 of CESC's tariff order	Illustration-2 of CESC's tariff order	tariff order under the heading 'wheeling within CESC area' which again depends on point of injection or drawal	Illustration-2 of CESC's tariff order	Illustration-2 of CESC's tariff order
HESCOM Network	Transmission charges & Losses as per KPTCL's Order and HESCOM's wheeling charges & Technical losses as per Illustration-1 of HESCOM's Tariff Order	HESCOM's network charges and technical losses as per illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per HESCOM's tariff order under the heading 'wheeling within HESCOM area' which again depends on point of injection or drawal	HESCOM's network charges and technical losses as per illustration-2 of HESCOM's tariff order
GESCOM Network	Transmission charges & Losses as per KPTCL's Order and GESCOM's wheeling charges & Technical losses as per illustration-1 of GESCOM's Tariff Order	GESCOM's network charges and technical losses as per illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per GESCOM's tariff order under the heading 'wheeling within GESCOM area' which again depends on point of injection or drawal

6.8.4 CHARGES FOR WHEELING OF ENERGY BY RE SOURCES (NON-REC ROUTE) TO CONSUMERS IN THE STATE

The separate orders issued by the Commission from time to time in the matter of wheeling and banking charges for RE sources (Non-REC route) including solar power projects wheeling energy to consumers within the State shall be applicable.

6.8.5 CHARGES FOR WHEELING ENERGY BY RE SOURCES WHEELING ENERGY FROM THE STATE TO A CONSUMER/OTHERS OUTSIDE THE STATE AND FOR THOSE OPTING FOR RENEWABLE ENERGY CERTIFICATE[REC]

In case the renewable energy is wheeled from the State to a consumer or others outside the State, the normal wheeling charges as determined in para 6.8.1 and 6.8.3 of this Order shall be applicable. For Captive RE generators including solar power projects opting for RECs, the wheeling charges as specified in the separate Orders issued by the Commission from time to time shall be applicable.

6.8.6 BANKING CHARGE

Banking Charges as specified in the separate Orders issued by the Commission from time to time shall be applicable.

6.8.7 CROSS SUBSIDY SURCHARGE [CSS]:

The MESCOM, in its tariff application, for FY22, has proposed the following CSS based on Tariff policy, 2016, limiting it to 20% of average cost of supply: computed:

Voltage level	Amount in Rs. per unit						
	HT-1	HT-2a	HT-2b	HT-2C	HT-3b	HT-4	HT-5
66kV & above	-	2.11	2.42	1.97	2.11	0.54	3.26
HT-33 kV	-	2.05	2.42	1.87	2.01	0.44	3.26
HT-11kV	-	1.84	2.42	1.66	1.80	0.23	3.26

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

The Commission has adopted the formula as per Tariff Policy, 2016, for computing the CSS which is as indicated below:

$$S = T - [C / (1 - L / 100) + D + R]$$

Where,

S is the Surcharge

T is the tariff Payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets.

Regarding, Regulatory asset, as per Tariff Order dated 04.11.2020, the Commission has allowed regulatory asset Rs. 721.34 Crores for all the ESCOMs put together. However, for the current year, the cost of carrying the regulatory asset is considered as zero.

Before proceeding to the computation of CSS the Commission places on record the following:

The Commission has noted that several stakeholders at various fora, are claiming that, while computing CSS, only the energy charges as per retail supply tariff has to be considered, without considering the fixed charges/Demand charges. The above issue regarding the interpretation of the term 'T'-tariff, in the formula stated supra, has been dealt by Hon'ble ATE in several of its Orders including Appeal No. 181 of 2015 and Appeal No. 178 of 2011, a few of which are reproduced below:

i) Appeal No. 181 of 2015 – Byrnihat Industries Association v Meghalaya Electricity Regulatory Commission & Anr. (Judgment dated 26.05.2016)

“ ...

18. *The Cross-Subsidy Surcharge is the difference between the tariff for category of consumer and the cost of supply. CSS is determined by using the figures of Tariff (T) for the relevant category of consumer for the year in question and cost of power purchase (C) of top 5% at margin excluding liquid fuel based and renewable power in that year.*

It is observed that Appellant has made reliance on the Table 8.2 of the Impugned Order i.e. "Category of consumer wise tariffs approved by the Commission" and used approved Energy Charge of Rs 5.40/KVAH as the Tariff for computation of Cross Subsidy Surcharge.

19. *In the National Tariff Policy formula, "T" is the Tariff payable by relevant category of consumers. The Tariff has two components viz. Fixed/ Demand charge and Energy charge and hence, for the purpose of calculating cross- subsidy surcharge, the State Commission has considered Average Billing Rate in Rs/ KWh for the*

respective category as "T" as it reflects the effective combination of fixed/demand and energy charges payable by that category of consumers. We are in agreement with the formulation of the State Commission for using Average Billing Rate for a consumer category to be used while determining Cross Subsidy Surcharge."

ii) **Appeal No. 178 of 2011 – Reliance Infrastructure Limited (R-Infra) vs Maharashtra Electricity Regulatory Commission & Ors. (Judgment dated 02.12.2013)**

"8. We shall now take up each of the above issues one by one. Before we attempt to address each of the above issues, it would be profitable to explain the steps that are required to be taken to fix the Tariff and CSS. These are:

- Category wise expected sale to each of the category of consumer is estimated on the basis of previous year consumption and CAGR computed using historical data.
- Sum of expected category wise sale is the total sale of power by the Distribution Licensee during the year. Let it be 'SoP'.
- Estimated transmission and distribution losses are added to total sale of power to consumers. Let it be 'PP'
- Cost of power purchase is calculated on the basis of tariff for each of the sources available and selected based on merit order to meet the power purchase requirement of Distribution Licensee. Let it be 'CoPP'
- Other elements of tariff such as RoE, Interest on loan, Interest on working capital, O&M charges, Depreciation etc are also determined on the basis of norms specified in relevant regulations. Sum these charges is Wheeling Charges. Let these be 'WC'
- Sum of power Purchase cost (CoPP) and Wheeling Charges (WC) is the ARR of the Distribution Licensee.
- Since category wise sale of power has already estimated, expected revenue from such sale is estimated from current tariff. Let it be 'RCT' (Revenue from current tariff)
- Difference between ARR and RCT is the gap in revenue. Let it be 'GAP'
- The GAP so arrived at is filled up by redesigning the category wise tariff.



- CSS is the difference between the tariff for category of consumer and the cost of supply. CSS is determined by using the figures of Tariff (T) for the year in question and cost of power purchase (C) in that year.
- Tariff of subsidising consumers is generally in two parts i.e. fixed charges and energy charges. Therefore, the term tariff is the effective tariff for that category of consumers.
- Since fixed charges remain constant irrespective of consumption by the consumer, the effective tariff varies and gets reduced with increase in consumption as can be seen from following illustration:
 - o Let us assume fixed charges at Rs 200 per kVA of contract demand and energy charges at Rs 5 per unit. Effective tariff for a consumer having contract demand of 100 kVA at different load factor would be as given in the table below:

Load Factor	Consumption	Fix charges	Energy Charges	Total Charges	Effective Tariff
0.1	7200	20000	36000	56000	7.78
0.2	14400	20000	72000	92000	6.39
0.3	21600	20000	108000	128000	5.93
0.4	28800	20000	144000	164000	5.69
0.5	36000	20000	180000	200000	5.56
0.6	43200	20000	216000	236000	5.46
0.7	50400	20000	252000	272000	5.40
0.8	57600	20000	288000	308000	5.35
0.9	64800	20000	324000	344000	5.31
1	72000	20000	360000	380000	5.28

- Effective tariff shown in last col. is also known as Average Billing Rate (ABR) for that particular consumer. ABR for a consumer category is determined by dividing total expected revenue from the category by total expected sale to that category (Tribunal's judgment dated 30.5.2011 in Appeal No. 102 of 2010 and Batch – Odisha case). Mathematically, it can be represented as:

$$\text{ABR of a category of consumer} = \frac{\text{Total Expected Revenue from a category}}{\text{Total Sale of power to that category}}$$

Considering the above orders of the Hon'ble APTEL, the Commission has passed orders on 28.01.2020 in case nos. 76/15,27/16 and 98/16, consequent to the directions given by Hon'ble ATE in Appeal Nos.259/16 & 270/15 on Tariff Order dated 02.03.2015 and Appeal No.386/17 on Tariff Order dated 30.03.2016, to reconsider the CSS issue, wherein the Commission has held that, the interpretation of the term "T" in the surcharge formula is a settled issue and it refers to the total of demand charges and the energy charges divided by the



energy consumed by the consumer and that the demand charges are being levied twice is not correct as alleged by the Stakeholders.

Regarding the stakeholders view that CSS is increasing year on year, the Commission in the above order has held that the reduction should be in terms of percentage and not in absolute terms, as it is but natural that in absolute terms the CSS increases due to increase in the input costs and inflation. As such the contention that the CSS is increasing and is against the provisions of the Electricity Act, 2003, does not hold water.

Thus, the Commission reiterates the above decision regarding CSS.

Based on the methodology specified in its MYT and OA Regulations, and adopting the formula stated supra, the category wise cross subsidy surcharge will be as indicated in the following Table:

Paise/unit						
Tariff category	Category Tariff paise/unit 'T' (Avg. of ESCOMs)	State Average Cost of supply @ 66 kV and above level* paise/unit $C/(1- /100)+D+ R]$	State Average Cost of supply at @ HT level** paise/unit $C/(1- /100)+D+ R]$	Cross subsidy surcharge paise/unit @ 66 kV & above level as per formula	Cross subsidy surcharge paise/unit @ HT level as per formula	20% of tariff payable by relevant category-paise/unit
1	2	3	4	5	6	7
				(2-3)	(2-4)	20% of (2)
HT-1 Water Supply	642.84	553.71	607.21	89.14	35.64	128.57
HT-2a Industries	931.98	553.71	607.21	378.27	324.77	186.40
HT-2b Commercial	1160.85	553.71	607.21	607.15	553.65	232.17
HT-2 (C)(i)	907.77	553.71	607.21	354.06	300.56	181.55
HT-2 (C)(ii)	1017.89	553.71	607.21	464.18	410.68	203.58
HT3 (a)(i) Lift Irrigation	309.99	553.71	607.21	-243.71	-297.21	62.00
HT3 (a)(ii) Lift Irrigation	448.27	553.71	607.21	-105.44	-158.94	89.65
HT3 (a)(iii) Lift Irrigation	358.32	553.71	607.21	-195.39	-248.89	71.66
HT3 (b) Irrigation & Agricultural Farms	511.81	553.71	607.21	-41.89	-95.40	102.36
HT-4	829.14	553.71	607.21	275.43	221.93	165.83

Tariff category	Category Tariff paise/unit 'T' (Avg. of ESCOMs)	State Average Cost of supply @ 66 kV and above level* paise/unit $C/(1- /100)+D+ R]$	State Average Cost of supply at @ HT level** paise/unit $C/(1- /100)+D+ R]$	Cross subsidy surcharge paise/unit @ 66 kV & above level as per formula	Cross subsidy surcharge paise/unit @ HT level as per formula	20% of tariff payable by relevant category-paise/unit
Residential Apartments						
HT5 Temporary	1771.80	553.71	607.21	1218.10	1164.59	354.36

*Includes weighted average power purchase costs of 468.52 paise/unit, transmission charges of 70.51 Ps/unit and transmission losses of 3.04% including commercial losses at EHT.

** Includes weighted average power purchase costs of 468.52 Paise per unit, transmission charges of 70.51 Paise per unit and transmission losses of 3.04% including commercial losses at EHT, HT distribution network / wheeling charges of 35.36 Paise/unit and HT distribution losses of 3.62% including commercial losses at HT.

Note: The carrying cost of regulatory asset of transmission licensee for the current year is included in Transmission charges and the carrying cost of regulatory asset of ESCOMs is considered as zero for the current year as discussed earlier.

As per the Tariff Policy 2016, while limiting the CSS so as not to exceed 20% of the tariff applicable to relevant category, the CSS (after rounding off to nearest paise) is determined as per the following table:

Particulars	Paise/unit	
	66 kV & above	HT level-11 kV/33kV
HT-1 Water Supply	89	36
HT-2a Industries	186	186
HT-2b Commercial	232	232
HT-2 (C) (i)	182	182
HT-2 (C) (ii)	204	204
HT3 (a) (i) Lift Irrigation	0	0
HT3 (a) (ii) Lift Irrigation	0	0
HT3 (a) (iii) Lift Irrigation	0	0
HT3 (b) Irrigation & Agricultural Farms	0	0
HT-4 Residential Apartments	166	166
HT5 Temporary	354	354

Note: wherever CSS is one paise or less, it is made zero

The cross-subsidy surcharge determined in this order shall be applicable to all open access/wheeling transactions in the area coming under MESCOM. However, the above CSS shall not be applicable to captive generating plant for carrying electricity to the destination of its own use and for those renewable energy generators who have been exempted from CSS by the specific Orders of the Commission.

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

Regarding the CSS for LT categories, the Commission would determine the CSS as and when open access is allowed to LT-consumers.

The detailed calculation sheet of CSS is enclosed as Annexure-4.

6.9 Additional Surcharge:

Most of the ESCOMs in their tariff application for the approval of APR for FY20 and for revision of retail supply tariff for FY22, have submitted that they have tied up sufficient quantum of power, after approval by this Commission, by considering the overall growth in sales. However, a large number of its high revenue yielding consumers are buying power under Open Access instead of availing supply from the ESCOMs. As a result, the generation capacity tied up by the ESCOMs remains idle. In this situation, ESCOMs are forced to back down the generation from conventional sources and are also required to pay Fixed Charges (or Capacity Charges) to the Generators, irrespective of actual energy being purchased. Thus, ESCOMs have stated that there is a need for recovery of the part of fixed cost towards the stranded capacity arising from the power purchase obligation through levy of Additional Surcharge.



BESCOM in its tariff filing has computed the additional surcharge as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	1980.87
Total FC to be collected from EHT/HT Consumers--Rs. Crores	3168.61
Estimated under recovery of FC-Rs. Crores	1187.74
EHT/HT-Sales-MU	5685.52
Additional surcharge proposed-Rs/unit	2.09

BESCOM has stated that it has worked out the above additional surcharge of Rs.2.09/unit considering the ARR of FY22. However, it is also stated that the additional surcharge is worked out as per the methodology adopted in KERC order dated 30.05.2019. The Commission had observed that in the above tariff order, the Commission had worked out additional surcharge based on APR data of FY18, whereas in the subsequent order issued on 04.11.2020, the Commission has considered the approved ARR of FY21. In view of the above BESCOM was directed to clarify as to whether the computations are done as per order dated 04.11.2020 or as per order dated 30.05.2019.

BESCOM in its replies has clarified that it has computed ASC as per order dated 30.05.2019.

The Commission notes that the methodology adopted in order dated 04.11.2020 or order dated 30.05.2019 is same. However, the data considered for computation of ASC in order dated 30.05.2019 is the APR data of FY18, whereas in order dated 04.11.2020, the data considered is the approved ARR of FY21. Going by the details furnished by BESCOM, it is observed that BESCOM has considered data of ARR estimates for FY22.

The Commission in its previous order had provided concession to RE sources in additional surcharge. BESCOM was directed to furnish its comments in the matter.

BESCOM has submitted that Karnataka being RE rich State, concept of concessions to RE sources in ASC may be revised.



MESCOM in its Petition has stated that they have computed the Additional Surcharge in line with the methodology adopted by the Commission in its Tariff Order 2020. MESCOM, furnishing the details of calculations has proposed the Additional Surcharge to be recovered from HT consumers at Rs. 1.12 per unit as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	266.88
Total FC to be collected from EHT/HT Consumers--Rs. Crores	409.65
Estimated under recovery of FC-Rs. Crores	142.77
EHT/HT-Sales-MU	1273.12
Additional surcharge proposed-Rs/unit	1.12

CESC had worked out the additional surcharge at Rs.3.24/unit as per actuals of FY20 and Rs.4.23/unit as per proposed ARR of FY22 and had requested the Commission to continue levy of ASC for OA consumers procuring power from power exchanges and RE generators.

The Commission had observed that, in the previous tariff order dated 04.11.2020, the Commission has computed ASC based on the estimated ARR of the year for which tariff is being revised. Hence, CESC was directed to compute the ASC as per proposed ARR for FY22.

CESC in its reply to the preliminary observation has submitted that it has determined the Additional Surcharge of Rs. 4.23 per unit as per proposed ARR as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	616.06
Total FC to be collected from EHT/HT Consumers--Rs. Crores	1233.64
Estimated under recovery of FC-Rs. Crores	617.58
EHT/HT-Sales-MU	1458.48
Additional surcharge proposed-Rs/unit	4.23

HESCOM in its tariff filing had proposed additional surcharge of 64 paise per unit based on FY-20 actuals. The Commission had observed that in its previous tariff order dated 04.11.2020, the Commission has considered the ARR data as



approved for the year for which tariff is determined. In view of the above, HESCOM was directed to compute the ASC as per the estimates for FY22.

HESCOM in its replies furnishing the details of calculations has computed Additional Surcharge of Rs.0.58 per unit based on proposed ARR of FY22 as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	285.43
Total FC to be collected from EHT/HT Consumers--Rs. Crores	409.00
Estimated under recovery of FC-Rs. Crores	123.57
EHT/HT-Sales-MU	2113.19
Additional surcharge proposed-Rs/unit	0.58

GESCOM in its tariff filing had not proposed any wheeling charges, cross-subsidy surcharge and additional surcharge for FY22. Hence, Commission had directed GESCOM, in terms of MYT Regulations, to furnish the above details following the methodology adopted by the Commission in its previous Tariff Order.

GESCOM in its replies to the preliminary observations has computed the Additional Surcharge at Rs. 2.71 per unit based on proposed ARR of FY22 as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	164.25
Total FC to be collected from EHT/HT Consumers--Rs. Crores	564.29
Estimated under recovery of FC-Rs. Crores	400.55
EHT/HT-Sales-MU	1477.80
Additional surcharge proposed-Rs/unit	2.71

In view of the above, ESCOMs in their tariff application have proposed levy of Additional Surcharge for FY22 as given below:

ESCOM	Additional Surcharge proposed-Rs. Per unit
BESCOM	2.09
MESCOM	1.12
CESC	4.23
HESCOM	0.58
GESCOM	2.71



Commission's views and decision:

The Commission in its previous order, considering the provisions of the Electricity Act, 2003, National Electricity Policy, Tariff Policy, KEREC Regulations and orders of Hon'ble Supreme Court and Hon'ble APTEL, has held that the Additional Surcharge can be levied on the open access consumers, to meet the stranded fixed cost obligations of the distribution licensee arising out of its obligation to supply power. Further, the Commission had worked out the Additional Surcharge based on approved ARR of the ensuing year namely FY21, in its previous order. The Commission notes that all the ESCOMs have computed Additional Surcharge adopting the methodology followed by the Commission in its previous order, as discussed supra.

The Commission notes that, when a consumer purchases electricity under Open Access, the ESCOMs lose the Fixed Charges embedded in the energy charges for the number of units of energy purchased under Open Access. The Commission has determined the Additional Surcharge for the ESCOMs by allocating the total fixed cost of Power Purchase to EHT and HT consumers in proportion to their input energy ESCOM-wise and has added the ESCOM-Wise fixed cost of power purchase to arrive at the voltage-wise fixed power purchase cost for the State. The Commission, while computing the Additional Surcharge, has excluded the KPTCL transmission charges & SLDC charges and the distribution network cost, as these charges are being recovered from the Open Access consumers for the use of transmission and distribution network. Further, the Commission has also considered the fixed cost associated with the retail supply business allocated to EHT and HT consumers in proportion to their energy sales ESCOM -Wise and has added the ESCOM-Wise fixed cost of retail supply business to arrive at the voltage-wise fixed cost of retail supply business for the State. Based on the above, the total Fixed cost excluding KPTCL Transmission charges, SLDC charges and Distribution network charges, is considered for computation of Additional Surcharge for EHT and HT consumers.



Further, out of the fixed charges recovered from EHT and HT consumers in retail supply tariff, the fixed costs allocated to EHT and HT consumers towards transmission and distribution network cost, is deducted on first charge basis. The balance of the fixed charges recovered through retail supply tariff is set off against the total stranded fixed cost attributable to HT/EHT consumers and the remaining stranded fixed cost has to be recovered from OA consumers by levy of Additional Surcharge.

Based on the above methodology, the Additional Surcharge recoverable from the consumers of ESCOMs is worked out as follows:

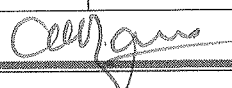
ESCOM	Computed Additional Surcharge Rs/Unit
BESCOM	1.06
MESCOM	3.12
CESC	2.98
HESCOM	2.82
GESCOM	2.38

The Commission notes that, as per the Additional Surcharge computed as above, there is a wide variation in the rates of Additional Surcharge to be recovered from the OA consumers among the ESCOMs. Since, the retail supply tariff and the cross-subsidy surcharge applicable to the consumers of the State is uniform across the State, the Commission decides to adopt a uniform Additional Surcharge across the State which is worked out, by considering the total fixed cost of all the ESCOMs as follows:

Computation of Additional Surcharge for FY22

	Particulars	Unit	110kV & 66 kV	11 kV	LT	Total
1	Power Purchase Cost of the State	Rs.in Cr.	-	-	-	37506.56
2	Distribution of Power Purchase Cost (Based on share of voltage-wise energy Input)	Rs.in Cr.	1687.93	6495.09	29323.54	37506.56
3	Total Fixed Charges Power Purchase cost (Excluding	Rs.in Cr.	-	-	-	11395.97

	Particulars	Unit	110kV & 66 kV	11 kV	LT	Total
	KPTCL Transmission charges+ SLDC)					
4	Distribution of Fixed Charges in Power Purchase cost -Voltage-wise (Based on share of energy input	Rs.in Cr.	517.53	1965.12	8913.32	11395.97
5	KPTCL Transmission Charges+ SLDC (Based on share of energy input)	Rs.in Cr.	195.03	756.34	3359.35	4310.72
6	Fixed cost in Retail Supply Business (Based on share of energy sales)	Rs.in Cr.	190.39	631.98	2637.97	3460.33
7	Distribution network costs (Based on share of energy sales)	Rs.in Cr.	377.17	1278.77	5492.70	7148.64
8	Total Fixed cost (column number 5+6+7+8)	Rs.in Cr.	1280.11	4632.21	20403.33	26315.65
9	Fixed cost recoverable in wheeling and banking charges (transmission charges + SLDC + Distribution network costs) (column number 6+8)	Rs.in Cr.	572.20	2035.11	8852.04	11459.36
10	Balance of Fixed Cost to be recovered through additional surcharge (column number 5+7)	Rs.in Cr.	707.92	2597.10	11551.29	14856.30
11	Total Fixed Cost recoverable from HT/EHT consumers (excluding Transmission and Distribution Network cost)	Rs.in Cr.	707.92	2597.10	-	3305.02
12	Fixed charges recovered by ESCOMs through tariff from HT/EHT consumers	Rs.in Cr.	3244.44	-	-	-
13	Less: Fixed Charges allocated to transmission and distribution network cost	Rs.in Cr.	2607.31	-	-	-
14	Balance available fixed charges (column number 13-14) from HT consumers	Rs.in Cr.	637.13	-	-	637.13
15	Shortfall in recovery of Fixed Cost to be considered for	Rs.in Cr.	-	-	-	2667.89



	Particulars	Unit	110kV & 66 kV	11 kV	LT	Total
	recovery of additional surcharge (column number 12-15)					
16	Total HT/EHT Sales of ESCOMs	In MU	-	-	-	14301.69
17	Additional Surcharge (column number 16/17 x 10)	Rs./unit				1.87

As per the above computations, a uniform Additional Surcharge across ESCOMs in the State that has to be levied to OA consumers works out to Rs.1.87 per unit. The Commission is mandated by the Electricity Act, 2003, to encourage open access with a view to promote competition and at the same time has to protect the interest of the consumers of the distribution companies in the State. In this background, the Commission is of the considered view that levying Additional Surcharge of Rs.1.87 per unit would burden the open access transactions and at the same time if it is not levied, it would burden on the consumers of the distribution licensees. In order to balance the interest of both OA consumers and the other consumers, the Commission decides to levy 50% of uniform Additional Surcharge of Rs.1.87 per unit, i.e., Rs. 0.93/ Unit, duly rounding off to the nearest ten paise i.e. Rs.0.90 per unit (90 paise per unit) as Additional Surcharge to be recovered from OA consumers for FY22. The above Additional Surcharge shall be payable by the HT/EHT open access consumers to the concerned distribution licensee on a monthly basis, based on the actual energy drawn during the month, through Open Access. Further, to encourage renewable sources of power, the Commission decides to levy Additional Surcharge of 23 paise per unit duly rounding off (25% of 90 paise per unit) for the energy procured under OA from Renewable Energy Sources.

6.10 Other Issues:

6.10.1 Tariff for Green Power:

In order to encourage generation and use of green power in the State, the Commission decides to continue the existing Green Tariff of 50 paise per unit as the additional tariff over and above the normal tariff to be paid by HT-

consumers, who opt for supply of green power from out of the renewable energy procured by distribution utilities over and above their Renewable Purchase Obligation (RPO). **The Commission directs ESCOMs to make wide publicity about the availability of RE power at an additional tariff of 50 paise per unit, through newspapers/media/interaction meeting with the industrial consumers.**

6.10.2 Other tariff related issues:

i) Rebate on Solar Water Heaters:

The Distribution Licensees have requested the Commission to continue the Solar water heater rebate to the consumers. Whereas, some of the consumers have requested to increase the Solar water heater Rebate as there is no increase in the rebate amount for more than 10 years. Since the Government of Karnataka has mandated the installation of solar water heaters on the roof of the residential buildings on certain conditions, the use of Solar Water Heaters is advantageous to both the ESCOMs and the consumers. Now, with the availability of surplus power due to the commissioning of RE power projects in the State as noted from the submission made by ESCOMs, the backing down of the thermal power stations to accommodate the power from the must-run status RE power, as per the prevailing Rules / Policy of the GoI / MNRE. Thus, on account of this, the ESCOMs are liable to pay the capacity charges and resulted in increase in the power purchase cost of the ESCOMs abnormally, which has to be borne by the consumers in the State through Retail Supply Tariff. Under these circumstances, extension of any further concession in the solar rebate has to be borne by the other consumers by increase in the tariff for which they are objecting. The Commission by considering the financials of the ESCOMs and the flight of other consumers in the State decides to retain the existing rebate of 50 paise per unit subject to a maximum of Rs.50 per installation per month for use of solar water heaters under tariff schedule LT2(a).

ii) Prompt payment incentive:

The Commission had approved a prompt payment incentive at the rate of 0.25% of the bills amount in respect of:

- (i) in all cases of payment through Electronic Clearing System (ECS);



- (ii) in the case of monthly bill exceeding Rs.1,00,000 (Rs.one lakh), where payment is made 10 days in advance of due date and
- (iii) advance payment of exceeding Rs.1000 made by the consumers towards monthly bills.

The Commission decides to continue the prompt payment incentive as above.

iii) Relief to Sick Industries:

The Government of Karnataka has extended certain reliefs for revival/rehabilitation of sick industries under the New Industrial Policy 2001-06 vide G.O. No. CI 167 SPI 2001, dated 30.06.2001. Further, the Government of Karnataka has issued G.O No.CI2 BIF 2010, dated 21.10.2010. The Commission, in its Tariff Order 2002, had accorded approval for implementation of reliefs to the sick industries as per the Government policy and the same was continued in the subsequent Tariff Orders. However, in view of issue of the G.O No.CI2 BIF 2010, dated 21.10.2010, the Commission has accorded approval to the ESCOMs for implementation of the reliefs extended to sick industrial units for their revival / rehabilitation on the basis of the orders issued by the Commissioner for Industrial Development and Director of Industries & Commerce, Government of Karnataka / National Company Law Tribunal (NCLT).

iv) Power Factor:

The Commission in its previous order had retained the PF threshold limit and surcharge, both for LT and HT installations at the levels existing as in the Tariff Order 2005. The Commission decides 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



v) Rounding off of KW / HP:

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

vi) Interest on delayed payment of bills by consumers:

The Commission, in its previous Orders had approved collection of interest on delayed payment of bills at 12% per annum. The Commission with a view to achieve the 100% collection efficiency in recovery of revenue demand to reduce the financial burden of ESCOMs and to bring in discipline among the defaulting consumers, decides to continue the same rates in this Order also.

vii) Security Deposit (3 MMD/ 2 MMD):

The Commission had issued the K.E.R.C. (Security Deposit) Regulations, 2007 on 01.10.2007 and the same has been notified in the Official Gazette on 11.10.2007. The payment of security deposit shall be regulated accordingly.

viii) Mode of Payment by consumers:

The Commission, in its previous Tariff Order had approved payment of electricity bills in cash/cheque/DD of amounts up to and inclusive of Rs. 10,000 and payment of amounts exceeding Rs. 10,000 to be made only through cheque. The consumers could also make payment of power bills through Electronic Clearing System(ECS)/ Credit card/ online E-payment upto the limit prescribed by the RBI, and the collection of power supply bills above Rupees One lakh through RTGS / NEFT at the option of the consumer.

The Commission as decided in the Tariff Order 2018 dated 14th May, 2018, in order to encourage the consumers to opt for digital payments in line with the direction of the MOP, Gol, decides to continue to allow MESCOM to



collect payment of monthly power supply bill through Electronic clearing system (ECS)/ Debit / Credit cards / RTGS/ NEFT/ Net Banking through ESCOMs / Bank/ Karnataka One websites, on-line E-Payment / Digital mode of payments in line with the guidelines issued and the payment up to the limit prescribed by the RBI wherever such facility is provided by the Licensee and allow MESCOM to incur and claim the expenditure on such transaction in the ARR. However, the Commission decides to allow MESCOM to incur the expenditure on the payment for power supply bills received through Debit / Credit Cards having demand up to Rs.2000/- and below only.

6.11 Cross Subsidy Levels for FY22:

The Hon'ble Appellate Tribunal for Electricity (ATE), in its Order dated 8th October, 2014, in Appeal No.42 of 2014, has directed the Commission to clearly indicate the variation of anticipated category-wise average revenue realization with respect to overall average cost of supply in order to implement the requirement of the Tariff Policy that tariffs are within $\pm 20\%$ of the average cost of supply, in the tariff orders being passed in the future. It has further directed the Commission to also indicate category-wise cross subsidy with reference to voltage-wise cost of supply so as to show the cross subsidies transparently.

In the light of the above directions, the variations of the anticipated category-wise average realization with respect to the overall average cost of supply and also with respect to the voltage-wise cost of supply of MESCOM and the cross subsidy thereon, is indicated in ANNEXURE- 3 of this Order. It is the Commission's endeavour to reduce the cross subsidies gradually as per the Tariff policy.

6.12 Effect of Revised Tariff:

- a. As per the KERC (Tariff) Regulations 2000, read with the MYT Regulations 2006, the ESCOMs have to file their applications for ERC/Tariff before 120 days of the close of each financial year in the control period. The Commission observes that, the MESCOM has filed its applications for revision of tariff on or before 30th November, 2020. In view of the Election Code of Conduct coming into force in the State on account of Election to the two State Assembly



constituencies at Maski and Basavakalyan and one Lak Sabha Constituency at Belgaum as notified by the Election Commission of India vide Notification No. ECI/PN/28/2021 dated 23rd March, 2021 and the Election to the following City Corporation, City Municipal Councils and Urban Local Bodies, in Karnataka, scheduled on 27th April, 2021 notified by the State Election Commission vide Notification dated 29th March, 2021, the Commission was unable to issue the Tariff Orders within the time frame of 31.03.2021.

(1) Bellary Mahanagara Palike, (2) Vijayapura Town Municipal Council, (Bangalore Rural Dist), (3) Ramanagar City Municipal Council (Ramnagara Dist.), (4) Channapatna City Municipal Council, (Ramnagara Dist.) (5) Gudibande Town Panchayat (Chickaballapura Dist.), (6) Bhadravathi City Municipal Council (Shivamogga Dist.) (7) Theerthalli Town Panchayat, (Shivamogga Dist), (8) Belur Town Municipal Council, (Hassan Dist.) (9) Madikeri City Municipal Council (Kodagu Dist), (10) Bidar City Municipal Council (Bidar Dist, (11) Hirekerur Town Panchayat (Haveri Dist.) (12) Hallikhedda Town Panchayat (Bidar Dist)

- b. Further, the Government of Karnataka had issued the guidelines vide Notification No. RD 158 TNR 2020 dated 26th April, 2021 and Notification No. RD 158 TNR 2020 dated 7th May, 2021, prohibiting working of certain offices/ activities in the entire State, for preventing the spread of Covid Pandemic, the Commission's day to day working was hampered.
- c. Again the Government of Karnataka has continued the lockdown for a further period of two weeks from 24.05.2021 to 07.06.2021 (upto 06.00 a.m.) vide its Notification No. RD 158 TNR 2020 dated 21.05.2021. Hence, the Commission was unable to issue Tariff Order till 07.06.2021, due to the lock down situation prevailing in the State.
- d. To enable the MESCOM to recover the revenue gap determined as per of this Order, the Commission decides that, the revised tariff for the energy consumed, shall be given effect, from the 1st meter reading date falling on or after 1st of April 2021. However, to soften the burden on the consumers due to increase in tariff, during the lockdown situation prevailing in the State, the



arrears towards revision of Tariff for the month of April and May, 2021 is ordered to be recovered during the month of October and November, 2021 respectively, without charging any interest.

A statement indicating the proposed revenue and approved revenue is enclosed vide **Annexure-3** and detailed tariff schedule is enclosed vide **Annexure-5 respectively.**

6.13 Summary of the Tariff Order:

The following is summary of the Tariff Order 2021:

- The Commission has approved the revised ARR for MESCOM of Rs.4507.65 Crores for FY22, which includes the deficit of RS.103.15 Crores for FY20, with a net revenue deficit of Rs.170.33 Crores, as against MESCOM's proposal for approval of ARR of Rs.5119.61 Crores and a gap of Rs.943.25 Crores.
- MESCOM in its filing dated 30.11.2020 had proposed an average increase of 167 paise per unit for all categories of consumers resulting in average increase in retail supply tariff by 22.59%. The Commission has approved an average increase of 30 paise per unit. The average increase in retail supply tariff of all the consumers for FY22 is 3.93%.
- MESCOM in its petition has proposed to increase both the demand charges and energy charges for all categories of consumers. The Commission has allowed recovery of additional revenue, partly by increase in fixed charges ranging from Rs.10 to Rs.20 per KW/HP/KVA to all the categories of consumer wherever applicable and Rs.25 per KW/HP to temporary supply.
- The Commission has allowed recovery of additional revenue partly by increase in the energy charges at the rate of 10 paise per unit to all category of consumers.
- **The Commission has decided to recover the revenue gap determined as per Chapter-5 of this Order, from the 1st meter reading date falling on or after 1st of April 2021. In order to soften the burden due to increase in tariff to the consumers during the lockdown period prevailing in the State, the arrears towards revision of Tariff for the energy consumed during the month of April**



and May, 2021, is allowed to be recovered during the month of October and November, 2021 respectively, without charging any interest.

- The Commission has enhanced the usage of power by domestic consumers under 1st slab from the existing 30 units per month to 50 units per month.
- Under the ToD tariff, penalty for usage of power during evening peak period from 18.00 Hrs to 22.00 Hrs. in respect of HT2(a), HT2(b) and HT2(c) has been relaxed during monsoon period from July to November. However, the penalty for evening peak usage is continued from December to June in this Order except for Railway Traction Installations.
- The ToD tariff incentive of 100 paise per unit for the usage of power during night period from 22.00 Hrs. to 06.00 Hrs (next day) has been relaxed during monsoon period from July to November. However, the ToD incentive of 100 paise per unit for the usage of power from 22.00 Hrs to 06.00 Hrs during December to June is continued.
- The TOD tariff approved by the Commission is also applicable for the power supply availed in the Depots to the HT installation of BMTC / KSTRC / NEKRTC / NWKRTC for charging their Electric Motor Vehicle under LT6(c) tariff schedule.
- In order to encourage sale of surplus energy during Monsoon period, the Commission has approved the new "**Discounted Energy Rate Scheme**" at Rs.6 per unit for the HT2(a) (b) and (c) categories for usage of power beyond the base consumption for FY22.
- The Commission, in order to increase the energy sales and to attract the consumers to consume power from ESCOMs, has decided to continue the existing **Special Incentive Scheme** to HT category during FY22 for one more year.
- The Commission has continued to allow concessional tariff of Rs.6.45 per unit to the Railway Traction installations.
- The energy consumption of Effluent Treatment Plant and Drainage Water Treatment Plants installed within the premises of the consumer's installations by drawing power from the main meter or through sub-meter, will be



- continued to be billed at the respective tariff category for which the power supply is availed for the installation.
- The Commission, by considering the environmental and social benefits in processing of the Solid Waste, has decided to continue to bill the power supply arranged to Solid Waste Processing Plant under LT/HT Industrial Category.
 - The Commission with a view to rationalise the tariff structure the two sub-categories under LT4-C(i) and LT4-C(ii) have been merged and made into one category as LT4-C.
 - The Commission to promote the use of eco-friendly Electric Motor Vehicle in the State in line with the policy of the GoI / GoK, has continued the sub-category of LT-6(c) under LT -6 Tariff Schedule in respect of concessional power supply to the **Electric Vehicle Charging Stations by including the Electric Vehicle battery swapping Stations, without increasing the fixed / demand charges and energy charges.**
 - Green Tariff of additional 50 paise per unit over and above the normal tariff, which was introduced a few years ago for HT industries and HT commercial consumers at their option, to promote purchase of renewable energy from ESCOMs, is continued in this Order.
 - The Commission has continued to provide a separate fund for facilitating better Consumer Relations /Consumer Education Programmes.
 - The Commission, as decided in the previous tariff Order, has decided to continue to impose penalty upto Rupees one lakh per sub-division on MESCOM, if it fails to conduct Consumer Interaction meetings at least once in three months and such penalty would be payable by the concerned officers of the MESCOM.




ORDER

1. In exercise of the powers conferred on the Commission under Sections 62 and 64 and other provisions of the Electricity Act, 2003, the Commission hereby approves the revised ARR as per APR for FY20 and determines the revised ARR for FY22 and notifies the retail supply tariff of MESCOM for FY22 as stated in Chapter-6 of this Order.
2. The tariff determined in this order shall be applicable to the electricity consumed from the first meter reading date falling on or after 1st April, 2021.
3. In view of the prevailing lockdown situation due to Covid Pandemic, the arrears towards revision of Tariff for the energy consumed during the month of April and May, 2021, is ordered to be recovered during the month of October and November, 2021 respectively, without charging any interest.
4. This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission at Bengaluru this day, the 9th of June, 2021.


(Shambhu Dayal Meena)
Chairman


(H.M. Manjunatha)
Member


(M.D. Ravi)
Member

APPENDIX

REVIEW OF COMPLIANCE OF COMMISSION'S DIRECTIVES

The Commission, in its Tariff Order dated 4th November 2020, and in its earlier Tariff Orders, has issued several Directives. The Commission has been reviewing the compliance thereof, on a regular basis. In the present proceedings also, the Commission has reviewed the compliance to the Directives. The Commission, besides reviewing the existing directives, decides to elaborate and clarify them for continued compliance. The same are discussed below:

1) Directive on conducting Consumers' Interaction Meetings (CIM) in the O & M sub- divisions for redressal of consumer complaints:

The Commission, in its past Tariff Orders had directed that the MESCOM shall ensure that Consumers' Interaction Meetings (CIM) chaired by the Superintending Engineers, are conducted in each of the O&M Sub-Divisions according to a pre-published schedule, at least once in every three months. Further, the consumers shall be invited to such meetings by giving advance notices through emails, letters, local newspapers, notices on its website etc., to facilitate participation of maximum number of consumers in such meetings. The MESCOM shall ensure that the proceedings of such meetings are recorded and uploaded on its website, for the information of consumers. Compliance in this regard shall be reported once in three months to the Commission, indicating the date, the number of consumers attending such meetings and the status of redressal of their complaints.

It was decided that, if MESCOM fails to ensure the conduct of the Consumer Interaction Meetings as directed, the Commission would consider imposing a penalty of up to Rs. One lakh per O&M sub-division per quarter for each instance of non-compliance as per Section 142 and 146 of the Electricity Act 2003 and also direct that such penalty shall be recovered from the concerned Superintending Engineer who fails to conduct such meetings.

Compliance by the MESCOM:

MESCOM is strictly adhering to directives of the Commission regarding Consumer Interaction Meetings which are conducted at subdivision level under the chairmanship of Superintending Engineer (EI) of Concerned O&M Circle / Executive Engineer (EI) of O&M Division with all prior preparations. Wide publicity is being given in advance on the conduct of consumer interaction meetings through leading newspapers and local announcements.

Consumers are being invited to such meetings by giving advance information about the meetings through emails, messages, Social media like twitter and Facebook, Regional and local newspapers etc., to facilitate participation of maximum number of consumers in such meetings.

It is submitted that, MESCOM is having 61 O&M subdivisions and during the year 2019-20, consumers' interaction meetings have been conducted in all the subdivisions. In the meetings, about 2458 complaints were brought to the notice of MESCOM for redressal, out of which 1996 complaints have been disposed of.

Certain complaints of the consumers are of the nature which requires company procedures / regulations to be followed to redress them. Such, complaints are being attended subsequently.

It is also submitted that, during 2020-21 MESCOM was not able to conduct Consumer Interaction Meeting due to Covid-19 pandemic but it will continue to conduct the CIM in every subdivision in upcoming days.

In its replies to the preliminary observations, MESCOM has informed that, due to general instruction to maintain social distancing and avoid spreading of covid-19 among the consumer and employees as a safety measure, the CIMs were not conducted. However, MESCOM has taken utmost care to resolve the consumer grievances directly through letters or converse over phone or any communication through other media network, at the sub-division level.



MESCOM is undertaking efforts to conduct CIM through online platform in next 3 months.

Commission's Views:

The MESCOM has submitted the details of consumer interaction meetings conducted in its jurisdiction during FY20 and FY21 till September 2020.

The Commission had directed the ESCOMs to conduct the consumer interaction meetings in the Sub-Divisions chaired by either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer to effectively redress the consumer grievances. The Commission takes note of the submission made by MESCOM that, such meetings are being conducted every Quarter, in its entire area of supply covering all Sub-Divisions. In the preliminary observations, the Commission had raised the concern about non-submission of the data every quarter in the prescribed format, as directed by the Commission. The Commission had directed MESCOM to furnish the details, indicating the dates on which the meetings were conducted. MESCOM has furnished the details in its replies stating that the CIMs were not conducted during FY21 due to the Covid – 19 pandemics and assured the Commission that the CIMs will be conducted in future, through online platform.

Observing the data furnished by MESCOM, it could be seen that there are 1,023 complaints registered during FY20 and 749 complaints registered during FY21 up to September 2020 are yet to be attended. The Commission is of the view that, conducting quarterly consumer interaction meetings is extremely important, keeping in view the importance of addressing the grievances of the consumers on a priority. The Commission notes with displeasure the large number of pending complaints and observes that MESCOM is not serious to resolve the complaints as per the directives issued.

Accordingly, the MESCOM is directed to conduct consumer interaction meetings at all the Sub-Divisions without fail and resolve the consumer complaints at an early date.



Further, the Commission desires that, such meetings are strictly chaired by the Officer not below the rank of, either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer. Also, the Commission hereby informs MESCOM that, if the consumer interaction meetings are conducted in the Sub-Divisions without the participation of the Superintending Engineers or the Executive Engineers, then it will be considered as non-compliance of the directives of the Commission and the Commission would consider imposing a penalty of up to Rs. One lakh per O&M Sub-Division per quarter for each instance of non-compliance and also direct that such penalty shall be recovered from the personal account of concerned Superintending Engineer or Executive Engineer, as the case may be, for failure to conduct / organize such meetings.

Further, the Commission desires that, conduct of such meetings shall be continued and are to be chaired by either the jurisdictional Superintending Engineer or jurisdictional Executive Engineer once in a quarter, to redress the consumer grievances relating to supply of electricity and related issues. Advance notice shall be sent to the stakeholders by email / website and through SMS (by maintaining / updating the consumer database) well in advance. Information on the schedule of the Consumer Interaction Meeting, date, time, venue etc., shall be published in the form of news item in the leading local / regional newspapers, at least 3 days prior to the conduct of the meeting, to ensure that a greater number of consumers take part in such meetings.

In addition to the quarterly meetings chaired by the SEE or the EE, the concerned Asst. Executive Engineer (EI) shall conduct the CIM on third Saturday of every month so as to attend to the grievances of the consumers, as is being done in other ESCOMs.

A compliance report (Quarterly) shall be submitted to the Commission regularly in the format given in the previous Tariff Order, along with the copy of the proceedings of each meeting.



2) Directive on preparation of energy bills on monthly basis by considering 15 minute's time block period in respect of EHT / HT consumers importing power through power exchange under Open Access (OA)

The Commission notes that due to implementation of billing based on 15 minutes' time block, there is a substantial increase in the revenue to the MESCOM from the HT consumers, who are drawing energy through open access and directed the MESCOM to continue the efforts effectively.

The Commission had directed MESCOM to ensure preparation of energy bills on a monthly basis by considering a 15 minute's time block in respect of EHT / HT consumers importing power through power exchange/ any other source, under Open Access and that, the MESCOM shall implement the directive forthwith and the compliance regarding the same shall be submitted quarterly to the Commission, regularly. The Commission also directed the MESCOM to quantify the billing and report.

Compliance by the MESCOM:

As per the directive, MESCOM has been ensuring that energy bills are prepared on a monthly basis by considering a 15 minute's time block in respect of EHT / HT consumers importing power through power exchange under OA.

MESCOM has furnished the details of month-wise number of OA consumers sourcing power from power exchange, OA energy scheduled / consumed in MU and inadvertently banked energy for FY20 and FY21, till September 2020.

During 2019-20, inadvertently banked energy is 1.93 MU amounting to Rs.1.34 Crores at the Retail tariff of Rs.6.95. During 2020-21(up to Sept 2020), inadvertently banked energy is 0.81 MU amounting to Rs.0.56 Crores at the Retail tariff of Rs.6.95. per unit.



Commission's Views:

The Commission notes that the MESCOM has complied with the directive by taking up preparation of energy bills on a monthly basis, considering the 15 minute's time block in respect of EHT / HT consumers importing power through power exchange under OA. It is seen that the introduction of 15 minute's billing has resulted in significant quantum of energy saving of 1.93 MU during FY20 and 0.081 MU during FY21 till September 2020. The stand taken by the Commission in directing the MESCOM to prepare monthly EHT / HT consumer bills on 15 minute's time block period has prevented a revenue loss of Rs.1.34 Crores to MESCOM during FY20 and Rs.0.56 Crores during FY21 till September 2020 from the consumers who took advantage of its laxity in enforcing correct billing. The MESCOM is required to adhere to the directive and submit regularly month-wise details of number of open access consumers, open access units scheduled / consumed and illegally banked energy if any along with the details of revenue gain.

The Commission reiterates its directive that the MESCOM shall continue to prepare the energy bills on monthly basis considering the 15 minute's time block period in respect of the EHT / HT consumers importing power through power exchanges under open access and submit quarterly compliance thereon, regularly to the Commission.

3) Directive on Energy Conservation:

The Commission had directed that, the MESCOM to service the all the new installations only after ensuring that the equipment installed in the consumer's premises are BEE ***** (Bureau of Energy Efficiency five-star rating) rated equipment such as Air Conditioners, Fans, Refrigerators, etc., which are considered to be energy efficient.

On similar lines, MESCOM was directed to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only



after ensuring that the LED lamps / energy efficient lamps like induction lamps are provided to the street light points.

Also, the Commission had directed the MESCOM to take up programmes to educate all the domestic, commercial and industrial consumers, through the media and by distributing pamphlets, giving details of the benefits of using five-star rated equipment certified by the Bureau of Energy Efficiency in reducing their monthly electricity bills and conservation of precious energy along with monthly bills.

The ESCOMs, in their tariff filing for the previous years, expressed practical difficulty to ensure replacement of existing street lights with LED Lamps. Considering this, the Commission, by partially modifying the earlier directive, directed the ESCOMs to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that the LED lamps / energy efficient lamps like induction lamps are provided to the street lights and the compliance thereon shall be submitted to the Commission once in a quarter on a regular basis.

Compliance by the MESCOM:

MESCOM has discussed the matter with the BEE, New Delhi and has sent an MoU to initiate a study and submit a proposal on implementation of a DSM project suitable for MESCOM. In reply, BEE has stated that MESCOM will be included in the new scheme in future. In the meanwhile, TERI New Delhi has come forward for System study / Load survey of 11kV feeders in MESCOM area for proposing suitable model project for MESCOM. Work of system study and load survey covering the entire geographical area of MESCOM is entrusted to TERI in line with KEREC, DSM regulations 2015. Data is being collected for the study.

Under DELP, more than 1 Lakh LED Bulbs of 9 W were distributed to consumers of MESCOM. The distribution of 9-Watt LED bulbs, LED Tube lights and BEE 5 Star rated Ceiling Fans through M/s Energy Efficiency Services Limited (EESL) is under



progress in MESCOM. The progress of distribution is as follows. The progress of distribution is as LED bulbs and fans is as follows;

Cumulative progress as on 04.11.2020]

1. 9W LED bulbs 43,47,423 Nos.
2. 20W LED tube lights 35,358 Nos.
3. BEE 5 Star rated Ceiling Fans 5,881 Nos.

It is submitted that MESCOM has been requesting to all the Municipals & other local bodies to mandatorily install LED streetlights for new installations and retrofitting of fluorescent lamps / sodium vapour lamps required in order to save the maximum quantum of energy during the night time.

For public awareness, Audio jingles are being announced in people concentrated area like 12 KSRTC Bus stations in MESCOM jurisdiction. In order to create more awareness on energy conservation among public, MESCOM has regularly publishing advertisement in the special edition of different news magazine and newspapers.

In its replies to preliminary observations, MESCOM submits that, it has taken initiative for creating awareness in general public through distribution of pamphlets to all categories of consumers and displaying banners at Circle, Division and Subdivision offices about usage of star rated appliances and energy savings. Further, action has been taken to intimate consumers in the Power sanction letters, while servicing new installations including the street lights for the usage of energy efficient LEDs, star rated pumps, solar water heaters for energy conservation. In MESCOM offices, action has been taken for usage of LED lights, star rated pumps for borewells, star rated Air conditioners. Further, star rated distribution transformers are only being procured & installed.

For taking up the DSM activities, MoU has been signed between BEE, KREDL and MESCOM for implementation of various activities under "Capacity Building of



DISCOMs" programme of BEE which includes carrying out load research activity i.e., load survey, load research, load strategies by taking field survey etc., and to develop DSM action plan. As part of MoU, five numbers of training programs have been conducted covering all 4 Circles for MESCOM employees.

At present, the load research study, field survey (consumer survey and feeder data) has been completed and data verification / analysis and preparation of Load Research report is under process.

Commission's Views:

The Commission notes that, it has not submitted the compliance regularly on implementation of the directive. MESCOM appears to have not issued any Circulars towards implementation of the directive. MESCOM is just repeating its submissions mechanically, more or less in a similar way as compared to the previous year.

Further, it is also observed that MESCOM has merely stated that it is insisting on servicing the consumer installations with 5 star rated equipment without elaborating on this or submitting the detailed progress achieved. The Commission is of the view that, merely insisting the consumer to provide 5 star rated equipment without actually doing nothing in the field, is highly misleading and amounts to non-compliance of the directive by the MESCOM. MESCOM needs to verify factually as to whether there is any progress made in the field in servicing of the BEE 5-star rated equipment such as Air Conditioners, Fans, Refrigerators, etc., in the consumers' premises. Also, MESCOM needs to review the implementation of the directive with the field officers periodically to know about the progress.

The Commission notes that the MESCOM has not submitted the compliance in respect of ensuring and providing of LED lamps / energy efficient lamps while servicing of new streetlight / high mast installations including extensions made to the existing streetlight circuits. This shows that the MESCOM has not



implemented the directive in its letter and spirit, to take forward the initiative of conservation of energy.

Even during the previous year, it is observed that, MESCOM has not achieved any progress in respect of installation of BEE five-star rated Energy Efficient Appliances in their offices. It is also noted that the MESCOM is said to have only implemented "Hosa Belaku" and "Pavan" programme under which it is distributing energy efficient lamps, fans, etc., to the consumers which appears to have had limited success. With this, the Commission finds that the progress in implementation of this directive is far from satisfactory.

On the whole, the Commission finds that the progress in implementation of this directive could have been much better. Therefore, the Commission directs MESCOM to focus on effective implementation of this directive by reviewing periodically the progress of implementation in the field and take necessary corrective steps.

Further, the Commission directs MESCOM to conduct the awareness programs to the consumers / public, for use of LED bulbs, energy efficient electrical equipment etc., by making use of the fund reserved for customer relation / education program. MESCOM has to take up the replacement of high-power consuming lights by LED bulbs and LED tube lights in all of its offices in a phased manner to be a model to the other consumers, by depicting energy savings and their benefits to the general consumers. But the Commission has not seen implementation of any such work by MESCOM.

Looking into the practical difficulty expressed by MESCOM in the previous tariff filing, by partially modifying the earlier directive, the Commission reiterates its directive to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that the LED lamps / energy efficient lamps like induction lamps are provided to the street light points and the compliance thereon shall be submitted to the Commission once in a quarter on a regular basis. Inspection by jurisdictional

Executive Engineers / Superintending Engineers of new installations, selected on random basis shall be undertaken to cross check adherence to the directive by the field offices.

4) Directive on implementation of Standards of Performance (SoP)

The MESCOM was directed to implement the specified Standards of Performance strictly, while rendering services related to supply of power as per the KERC (Licensee's Standards of Performance) Regulations, 2004. Further, the MESCOM was directed to display prominently, in both Kannada & English languages, the details of various critical services such as replacing the failed transformers, attending to fuse off call / line breakdown complaints, arranging new services, change of faulty meters, reconnection of power supply, etc., rendered by it as per Schedule-1 of the KERC (Licensee's Standards of Performance) Regulations, 2004 and Annexure-1 of the KERC (Consumer Complaints Handling Procedure) Regulations, 2004, on the notice boards in all the jurisdictional offices of O & M Sections and O & M Sub-Divisions, for information of the consumers, as per the format given in the previous Tariff Order.

Compliance by the MESCOM:

As per the directive, MESCOM has taken action to display in the prescribed format in each of the Section Office and Sub-Division Office in a visible place, which can be viewed by all the visitors to the Office and also for the information of the consumers, Handbook on SoP is displayed in the official website of MESCOM.

MESCOM has educated all the field officers and the staff upto linemen on the SoP and the consequences of non- adherence to the SoP during its regular training by HRD wing. The MESCOM HRD wing has conducted the training to line staff on the SoP and the consequences of non- adherence to the SoP.



Further, MESCOM has planned to impart training on the above issue for 14 teams with 460 trainees, during 2020-21. But due to Covid-19 pandemic Training Program is yet to start.

It is submitted that MESCOM will adhere to the specified Standards of Performance while rendering services to ensure that consumer complaints are attended to in a time bound manner, as per the KERC (Licensee's Standards of Performance) Regulations, 2004.

It is stated that, MESCOM has published the "HAND BOOK" (KAIPIDI) in Kannada on the SoP and distributed to all the staff and stake holders. The copy of the same is published in the MESCOM website for the awareness of consumers.

In its replies to preliminary observations, MESCOM has informed that, it has taken action to display parameters in all its O&M Subdivisions and O&M Section offices.

Further, MESCOM has stated that it is doing effective supervision over the functioning of field offices particularly in rendering of services to the consumers, relating to restoration of supply of electricity.

Regarding the details of number of violations of SoP by officers, sub-division wise, month-wise, amount of penalty levied on the officers and the amount paid to the consumers for any delay in service is stated to be nil.

MESCOM has already conducted necessary orientation programme for the field officers and the staff up to linemen to educate them on the SoP and the consequences of non – adherence to the SoP.

MESCOM has stated that it will submit the compliance periodically as per the directive.



Commission's Views:

Commission is of the view of the that since the State has become surplus in power availability, the supply of quality and reliable power to consumers will become all the more essential. Hence the Standards of Performance (SoP) for Distribution Licensees specified by the Commission need to be implemented in all its letter and spirit.

It has come to the notice of the Commission that the consumers are generally not aware of the SoP prescribed by the Commission and as a result, the consumers are still facing difficulty in getting prompt services from MESCOM. As per the submissions made by MESCOM in its Tariff application, it is observed that, MESCOM has been simply informing that the directions are issued to the Superintending Engineers and the Sections Officers to implement the directives. But, has not furnished any information / details of implementation. In spite of the directives issued in the past, the Commission has noted with displeasure that, MESCOM has failed to conduct the awareness campaigns on SoP for consumers at Hobli level and has not come across any information on the conduct of orientation program to its field staff in its tariff filing.

Hence, the Commission while taking note of the BESCO's compliance, reiterates that the MESCOM shall continue to adhere to the directives on the specified Standards of Performance in rendering various services to consumers in a time bound manner.

Further, the Commission directs the MESCOM to carry out effective supervision over the functioning of field offices particularly in rendering of services to the consumers, relating to restoration of supply of electricity. The Commission also directs MESCOM to submit the details of number of violations of SoP by officers, Sub-division wise, month wise, amount of penalty levied on the officers and the amount paid to the consumers for any delay in service.



The Commission also directs the MESCOM to take action to display the SoP in the format mentioned above in its official web site for information of the consumers.

SoP should be displayed in each of the Section Office and Sub-division Office, in a conspicuous place, which can be viewed by all the visitors to the Office. At the end of SoP, it should be mentioned that, consumers can claim the compensation from the concerned officer by filing a complaint before the CGRF in the Form - A, available in the KERC (CGRF and Ombudsman) Regulations, 2004.

The Commission reiterates and directs MESCOM to conduct awareness campaign at the Hobli levels for educating the public about the Standards of Performance prescribed by the Commission. ESCOM shall conduct necessary orientation programme for all the field officers and the staff up to linemen to educate them on the SoP and the consequences of non-adherence to the SoP.

Further, the Commission directs that, MESCOM shall update and keep circulating the "HAND BOOK" (ಕೈಪಿಡಿ) in Kannada on the SoP and arrange to distribute to all the staff and stake holders.

MESCOM shall consider and continue bringing in a system of recognizing the best performing sub-division / section in terms of adherence to SoP and publicize such recognition so as to incentivize better performance from the officers / personnel concerned.

Further, All the ESCOMs are hereby informed that the Government of India, Ministry of Power has issued Implementation of Electricity (Rights of Consumers) Rules, 2020 for implementation with immediate effect. All the Distribution Companies in the State are required to take necessary action to implement these Rules without any let up. In the light of this, MESCOM is hereby directed to conduct awareness programme to its officers and staff on these Rules and



ensure that these Rules are implemented in all its letter and spirit. The Commission would regularly monitor the implementation of these Rules by the ESCOMs. MESCOM is also directed to propose amendments, if any, to the existing Regulations in order to enable complete implementation of these Rules.

5) Directive on use of safety gear by linemen / Power men:

With a view to reduce the electrical accidents to the lineman working in the field, the Commission had directed the MESCOM to ensure that all the linemen in its jurisdiction are provided with proper and adequate safety gear and also ensure that the linemen use such safety gear while working on the network. The MESCOM was directed to sensitize the linemen about the need for adoption of safety aspects in their work through suitably designed training and awareness programmes. The MESCOM was also directed to device suitable reporting system on the use of safety gear and mandate supervisory / higher officers to regularly cross check the compliance by the linemen and take disciplinary action on the concerned if violations are noticed. The MESCOM was directed to implement this directive within one month from the date of this order and submit compliance report to the Commission.

Compliance by the MESCOM:

In order to avoid occurrence of electrical accidents in the distribution system, MESCOM has imparted training to all the field staffs on safety aspects periodically through HRD wing. MESCOM has taken initiative to increase the frequency of imparting training to linemen so that adherence to safety aspects becomes part of their routine. MESCOM has provided safety gadgets to its all power men.

The HRD wing of MESCOM has conducted the training program to Power men on safety measures which has to be taken while working on electrical network. Further MESCOM has planned to impart the training on the above issue by



creating 14 teams with 460 trainees during 2020-21. But due to Covid-19 pandemic Training Program is not yet started.

Power men working in MESCOM are provided with complete set of safety gears. Presently, MESCOM has procured the 3,700 Nos of hand gloves & 500 Nos of Safety Belts for replacements. Every Monday Safety meeting is being conducted in every section of MESCOM and taking oath for using safety gears and creation of Safety zone while working. MESCOM is ensuring in its jurisdiction that all the power men are provided with proper and adequate safety gear and the power men use such safety gear provided to them while working on the distribution network.

MESCOM has given more attention to safety aspects in order to reduce and prevent electrical accidents occurring due to negligence / non-adherence of safety procedures by the field staff while carrying out the work on the distribution network. MESCOM has appointed Chief Engineer (Elec) of the O&M, Zone as 'Electrical Safety Officer' and has given instructions to take all the safety measures.

In its replies to the preliminary observations, MESCOM has informed that all the power men / linemen are compulsorily provided with complete set of safety gear.

Commission's Views:

The Commission has observed that the details of the training provided by MESCOM on SoP and safety to the linemen / power men are similar. It has been brought to the notice of the Commission by the consumers and also report of the CEIG on accidents that the safety gears / equipment are not being used by all the linemen at work in the field and hence the number of electrical accidents are increasing every year. The Commission considers that not providing appropriate safety gear / equipment to the staff at work place amounts to a serious violation of human rights by MESCOM.



The Commission notes that though MESCOM has provided safety gadgets to its linemen, electrical accidents are occurring in the distribution system mainly due to non-adherence to safety procedures by the field staff, while working on the distribution network. Therefore, it is very important that the MESCOM should focus on safety aspects in its operations with a view to reduce or minimize the electrical accidents. Also, imparting training to all the field staff on safety aspects periodically should become part of the routine.

The Commission while taking note of the MESCOM's compliance on the directive, stresses that the MESCOM should continue to give attention to safety aspects in order to reduce and prevent electrical accidents occurring due to negligence / non adherence of safety procedures by the field staff while carrying out the work on the distribution network. MESCOM should continue to give training to the linemen periodically on adherence to safety aspects / procedure, so that they carry out their work safely / effectively.

Adequate quantity of all safety gears / equipment shall be procured periodically and sufficient inventory of these materials shall also be maintained. MESCOM should take action to empanel suppliers of safety gear / equipment, so that the procurement / replacement is quicker.

The Commission reiterates its directive that the MESCOM shall continue to ensure that, all the linemen and other field staff are provided with adequate and appropriate safety equipment and the linemen and other field staff use the same while carrying out the work in the field. The compliance in this regard shall be submitted once in a quarter to the Commission regularly. Protocols should be drawn on procedures to be adopted / roles and responsibilities fixed in respect of all those involved in working on (live) lines / installations for repairs etc., based on case studies.

6) Directive on Providing Timer Switches to Streetlights by the MESCOM

The Commission had directed the MESCOM to install timer switches using own funds to all the streetlight installations in its jurisdiction wherever the local bodies

have not provided the same and later recover the cost from them. The MESCOM shall also take up periodical inspection of timer switches installed and ensure that they are in working conditions. They shall undertake necessary repairs / replacement work, if required and later recover the cost from local bodies. The compliance regarding the progress of installation of timer switches to street light installations shall be reported to the Commission within three months of the issue of this Order.

Compliance by the MESCOM:

As per the directives MESCOM has requested to Municipal / local bodies, while a new streetlight installation and any extension / modification to be carried out to the existing streetlight installations shall be serviced only with timer switches.

MESCOM is ensuring the service of new Streetlight installation with timer switches and all local bodies are reacted positively in this regard and local bodies were informed about the rectification of hazardous streetlight installations under their control.

In its replies to the preliminary observations, MESCOM has furnished the details of the number of Street Light installations existing as at the beginning of the year, serviced during the year, provided with timer switches etc.,

MESCOM issued suitable instructions for servicing new street lights with timer switches. LED / energy efficient lamps are being used and timer switches are provided while servicing of new streetlight installations.

Commission's Views:

As per the data furnished by MESCOM in its Tariff Filing and the preliminary observations, it is observed that it has serviced 1,369 number of street light installations during FY20. Whereas, the number of street light installations serviced along with the timer switches is only 550. It is clear that MESCOM has serviced the balance 819 number of street light installations without the timer



switches. This shows that the MESCOM has not given focus to this issue and has not coordinated with the concerned local authorities in installation of timer switches while servicing the new street light installations, thus increasing the inventory of street light installations requiring timer switches.

From the above, it can be seen that, MESCOM is servicing the SL installations without the timer switches, in spite of the directives. MESCOM is not insisting on the Municipal authorities to provide timer switches, at least while servicing the new SL installations. MESCOM has not provided any substantial reply to the above observations made by the Commission. Thus, the inaction by the MESCOM has actually resulted in increase of number of street light installations requiring timer switches. This is a continuous action, and if timely action is not initiated, it results in wastage of electricity and the energy conservation is defeated.

Thus, the inaction and failure of the MESCOM has actually resulted in increase in the number street light installation requiring timer switches. Failure to remedy this situation would not only result in wastage of electricity, but also shorter life of the installations and resultant avoidable expenditure on their replacement. Hence, **MESCOM should seriously pursue this matter with the concerned local authorities strictly ensure fixing of timer switches while servicing the new installations.** Therefore, going by the progress, the Commission is of the view that the MESCOM is not serious in installing the timer switches.

It is the inbound duty of the Distribution Licensee to service the new installations by following the directions of the Commission. The Commission has noted the fact that, providing the timer switches to the street light installations fall under the purview of the BBMP / Municipal administration. At the same time, it is the duty of the Distribution Licensee to adhere to the directives of the Commission while servicing the new or the extended circuit of the street light installations by getting the timers switches installed. This shows utter negligence by MESCOM in following the directives of the Commission.

Also, MESCOM has not informed anything on the attempts made to take up the directive on Corporate Social Responsibility and availing the services of EESL etc.,

Therefore, **the Commission reiterates that the MESCOM shall ensure that, the new streetlight installations and any extension / modification to be carried out to the existing streetlight installations shall be serviced only with timer switches. The compliance in this regard shall be submitted once in a quarter, regularly, to the Commission.**

7) Directive on load shedding:

In respect of Load Shedding, the Commission had directed that:

- i) Load shedding required for planned maintenance of transmission / distribution networks should be notified in daily newspapers at least 24 hours in advance for the information of consumers;
- ii) The MESCOM shall on a daily basis estimate the hourly requirement of power for each sub-station in its jurisdiction based on the seasonal conditions and other factors affecting demand;
- iii) Any likelihood of shortfall in the availability during the course of the day should be anticipated and the quantum of load shedding should be estimated in advance. Specific sub-stations and feeders should be identified for load shedding for the minimum required period with due intimation to the concerned Sub-Divisions and sub-stations;
- iv) The likelihood of interruption in power supply with time and duration of such interruptions may be intimated to consumers through SMS and other means;
- v) Where load shedding has to be resorted due to unforeseen reduction in the availability of power, or for other reasons, consumers may be informed of the likely time of restoration of supply through SMS and other means;
- vi) Load shedding should be carried out in different sub-stations / feeders to avoid frequent load shedding affecting the same sub-stations / feeders;



- vii) The MESCOM should review the availability of power with respect to the projected demand for every month in the last week of the previous month and forecast any unavoidable load shedding after consulting other ESCOMs in the State about the possibility of inter-ESCOM load adjustment during the month;
- viii) The MESCOM shall submit to the Commission their projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month for approval;
- ix) The MESCOM shall also propose specific measures for minimizing load shedding by spot purchase of power in the power exchanges or bridging the gap by other means;
- x) The MESCOM shall submit to the Commission sub-station-wise and feeder-wise data on interruptions in power supply every month before the 5th day of the succeeding month;

The Commission had directed that the MESCOM shall make every effort to minimize inconvenience to consumers by strictly complying with the above directions. The Commission had indicated that it would review the compliance of directions on a monthly basis for appropriate orders.

Compliance by the MESCOM:

As per the directives, MESCOM taken pro-active measures to provide information to the consumers through SMS about the time and duration of interruptions in power supply due to various reasons. MESCOM is using "URJA MITRA", the mobile based and web based application, developed and deployed by the RECTPCL (REC Transmission Projects Company Limited) under the initiative of Ministry of Power and base data required by the application is updated in the database of the application, for disseminating the information of scheduled and unscheduled power outages, emergency outages, restoration time, power outage extension time, etc., due to reasons such as system constraints, breakdowns of lines / equipment, maintenance etc., to the information of the consumers through SMS it is more useful to prevent



inconvenience / disruption caused to the consumers. MESCOM has made serious attempts to collect the data of mobile numbers of the consumer along with connected Distribution Transformer Center and 11kV feeder.

As on 09.11.2020, total of 19.42 Lakhs consumers are brought under URJA MITRA and 1.43 Crores messages have been sent to the registered consumers. As per the directive, MESCOM has taken care to avoid frequent load shedding of 11 kV Feeders to avoid inconvenience to consumers / public.

It is to be submitted that, 3-phase & single phase power supply is being arranged in all the districts of MESCOM as per the GoK Order. Scheduled outage for planned maintenance of distribution networks prior notification is being given in daily newspapers for the information of the consumers and also week ahead district wise planned maintenance of distribution networks is being publishing in the MESCOM website regularly.

MESCOM is striving to minimize power interruptions and ensure continuous power supply to its esteemed consumers. MESCOM has conducted orientation programmes to the field staff towards motivating them to attend the minor faults in the field itself and restore the power supply at the earliest and strictly adhering to the SoP. MESCOM has taken up strict supervision over repairs to the transformers and ensure good quality repairs.

Further MESCOM has developed in-house software for Customer Care Centre and maintaining by MESCOM. Presently, MESCOM has publishing scheduled and unscheduled interruption details regularly which will help to know the consumer on type of interruption and expected restoration time.

MESCOM is furnishing day-ahead energy requirement in 96 blocks to SLDC Bangalore before 11 am of previous day on daily basis, duly considering previous 3-years consumption, previous day consumption, present weather conditions and any special occasions etc., Further, SLDC is giving entitlement at 5 pm on same day.



For submission of 30 Days power requirements in advance to KERC, MESCOM can consider only previous 3 - year's consumption data without any adjustment factor relating to weather conditions and any other special occasions which will vary instantly.

In its replies to the preliminary observations, MESCOM has informed that it has taken action to update the consumer data as to the applications used for public information system on power system interruption etc.,

Scheduled Power outages in MESCOM are being published in the website in advance. Unscheduled outages real time information's are being displayed in MESCOM website. MESCOM is also developing an app wherein option of given information about power outages will be provided to all Section Officers. Thereby, push messages / information will be available in MESCOM app for public viewing.

Commission's Views:

The Commission notes that, MESCOM is making use of the URJA Mitra App developed by RECTPCL for emanating messages to provide the information of scheduled and unscheduled power outages, emergency outages, restoration time, power outage extension time, etc., due to reasons such as system constraints, breakdowns of lines / equipment, maintenance etc., to the consumers through SMS. MESCOM, in its tariff application, has submitted that, as on 09.11.2020 the data of 19.42 Lakh consumers is uploaded. Whereas, in its replies to preliminary observations, MESCOM has informed that the data of 20.93 Lakh consumers is uploaded in to the database of the App as on 09.11.2020. MESCOM has to take further steps to update the database with the entire consumer strength of the Company to make the App effective.

MESCOM shall extensively use the URJA Mitra mobile application, which can be used as a link between MESCOM, field staff and citizens for facilitation of outage information dissemination to all consumers through SMS. The application can



also be integrated with any other system. This would significantly address the “consumers’ dissatisfaction” on this issue and prevent inconvenience / disruption caused to the consumers especially the industrial consumers. MESCOM can also save money required for development of similar software.

Further, the Commission has noted with concern that, the number as well as the duration of interruptions are increasing, causing inconvenience to the consumers. The Commission notes that, even though the power availability has improved resulting in surplus power situation, the distribution network reliability has similarly not improved, causing frequent disruptions in power supply, which causes hardship to the consumers and also revenue loss to the MESCOM. The Commission directs MESCOM to take remedial measures to minimize power supply interruptions and ensure 24 x 7 power supply. MESCOM shall submit the action plan in this regard to the Commission within 3 months of this order.

It is noted that, MESCOM has not submitted the details of failure of distribution transformers. Further, it has come to the notice of the Commission that one of the main reasons for power disruption is the failure of the Distribution Transformers. The Commission has set the SoP – an Indicative Maximum time limit for rendering service as, to restore power supply due to DTC failure within 24 Hours in City and Town areas and within 72 Hours in Rural areas. It is noted during the public hearing that the consumers have complained that the MESCOM is not adhering to the SoP fixed by the Commission. The consumers have complained on the inaction by the field officers in not attending to the minor faults and are taking longer durations for restoring the power supply. It is further noted that, poor quality of repairs also has contributed for increase in number of failures of Distribution Transformers.

Hence, the Commission directs the MESCOM to conduct orientation programmes to the field staff towards motivating them to attend to the minor faults in the field itself and restore the power supply as early as possible. MESCOM is also directed to take up strict supervision over repairs to the



transformers and ensure good quality repairs and fix personal responsibility on the erring staff / officer.

While, MESCOM has not mentioned anything on the conduct of orientation program / workshops to the field staff to equip and motivate them to attend to the minor faults at site itself wherever possible and restore power supply as early as possible and the action taken on the on the erring staff / officer in case of poor maintenance and poor quality of repairs.

Further, the Commission observes that despite directions to do so, the MESCOM is not submitting its projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month to the Commission regularly. The MESCOM is directed to submit the same regularly to the Commission without fail.

The Commission reiterates that MESCOM shall comply with the directive on load shedding and submit monthly compliance reports thereon to the Commission regularly.

8) Directive on Establishing a 24x7 Fully Equipped Centralized Consumer Service Center for Redressal of Consumer Complaints:

The MESCOM is directed to put in place a 24 x 7 fully equipped Centralized Consumer Service Centre at its Headquarters with a state of the art facility / system for receiving consumer complaints and monitoring their redressal so that electricity consumers in its area of supply are able to seek and obtain timely and efficient services in the matter of their grievances. Such a Service Centre shall have adequate desk operators in each shift so that the consumers across the jurisdiction of the MESCOM are able to lodge their complaints to this Centre.

Every complaint, received through various modes in the center shall be registered by the desk operator and the complaint register (Docket No.) number shall be intimated to the Consumer through SMS. In turn, the complaints

shall be transferred online to the concerned field staff for resolving the issue. The concerned O&M / local service station staff shall visit the complainant's premises at the earliest to attend to the complaints and then inform the Centralized Service Centre that the complaint is attended. Then, the desk operator shall call the complainant and confirm with him as to whether the complaint has been resolved. The complaint shall be closed only after confirmation by the consumer. Such a system should also generate daily reports indicating the number / nature of complaints received, complaints attended, complaints pending and reasons for not attending to the complaints along with the names of the officers responsible with remarks be placed before the Management on the following day for attention to review and take corrective action in case of any pendency / delay in attending to the complaints.

The MESCOM shall publish the details of complaint handling procedure / Mechanism with contact numbers in the local media or in any other form periodically for the information of the consumers.

The Commission directs the MESCOM to establish / strengthen 24 x 7 service stations, equipping them with separate vehicles & adequate line crew, safety kits and maintenance materials at all its sub-divisions including the rural areas for effective redressal of consumer complaints.

Compliance by the MESCOM:

As per the directive of Hon'ble Commission, MESCOM has established a 24 x 7 Centralized Consumer Service Centre at Mangaluru and the complaints are being received from all the consumers of MESCOM at this customer care center. The consumers are being requested to lodge their complaints related to electricity using short code telephone number '1912' for better utilization of services of customer care center and resolve their complaints. The Consumer Care Centre activities overall supervision is being done by the SEE, SCADA & DCC and daily activities will look after by their subordinates.



The MESCOM has given suitable instructions to its field officers to attend the complaints efficiently in order to avoid delay in attending consumer services. MESCOM has developed in-house software for Customer Care Centre and is maintained by MESCOM itself and also made provision for consumers to register the complaints through this web application as 'Quick complaints. MESCOM has provided training to all the staffs those who are working in the Consumer Service Centre on how to behave with consumer politely and also it is made tradition to give training on every month through teleconference to its field staff. Further, MESCOM has conducted training programs to all the Power men, Section Officers and Sub divisional officers regarding how to behave with the consumers politely and Consumer Complaint redressal mechanism through '1912' effectively.

MESCOM has already established 53 Nos of full-fledged 24 x 7 service stations and 2 Nos of 12 Hours service stations have been established by providing men, material and vehicle to redress the consumer complaints. The MESCOM has taken appropriate measures to popularize the same through local newspapers and local TV channels. Additionally, MESCOM has extended the following services to its esteemed consumers.

- Tollfree Number: 1912
- WhatsApp: 9483041912
- Facebook: www.facebook.com/mescomkarnataka
- Twitter: www.twitter.com/MESCOM_official
- Website: www.mesco.karnataka.gov.in
- E-mail: mescomhelpline@gmail.com

For public awareness, wide publicity is also being given in the daily newspapers and Audio jingles are being announced in people concentrated areas like 12 KSRTC Bus stations in MESCOM jurisdiction.

In order to create more awareness on MESCOM helpline among public, MESCOM has habitually publishing advertisement in newspapers and special edition of different news magazines.



Commission's Views:

The Commission notes that the MESCOM has established the necessary infrastructure for effective redressal of consumer complaints. While taking note of the efforts made by MESCOM, it is observed that, the number of complaints are increasing year on year. It has come to the notice of the Commission that, there are many complaints received on the behavioral attitude of executives working in the CCC and deployed through Outsourcing Agency. MESCOM shall instruct the agency to impart suitable training on public relations and behavioral aspects on human relations etc. and continue to impart such training to the executives working in the CCC. The Commission directs MESCOM to deploy Senior Level Officers to supervise and review all the activities of the CCC, and shall take disciplinary action against erring officials.

MESCOM shall bring in a system of recognizing the best performing customer care executive every week / fortnight / month and publicize such recognition so as to incentivize better performance from them. The Commission directs MESCOM to deploy a Senior Level Officers to supervise and review all the activities of the CCC, and shall take disciplinary action against erring officials / executives.

The Commission directs MESCOM that it should continue its efforts to further improve the delivery of consumer services, especially to further reduce the time required for resolving consumer complaints regarding breakdowns of lines / equipment, failure of transformers etc., resulting in interruptions in power supply. These complaints should be given prompt and effective response. The Commission also directs MESCOM to analyze the nature of complaints registered and take action to minimize the number of complaints.

It is also imperative on the part of MESCOM that necessary steps are taken to continuously sensitize the field-staff about efficient handling of consumer complaints apart from improving their general efficiency.



The Commission reiterates its directive to the MESCOM to periodically publish the complaint handling procedures / contact number of the Centralized Consumer Service Centre in the local media, continue to host it on its website and also publish it through other modes, for the information of public and ensure that all the complaints of consumers are registered only through the Centralized Consumer Service Centre for proper monitoring and disposal of complaints registered. The compliance in this regard shall be furnished once in a quarter regularly, to the Commission.

9) Directive on Energy Audit:

The Commission had directed the MESCOM to prepare a metering plan for energy audit to measure the energy received in each of the Interface Points and to account the energy sales. The Commission had also directed the MESCOM to conduct energy audit and chalk out an action plan to reduce distribution losses to a maximum of 15 percent in the towns / cities having a population of over 50,000, where it is above this level.

The Commission had earlier directed the MESCOM to complete installation of meters at the DTCs by 31st December, 2010. In this regard the MESCOM is required to furnish to the Commission the following information on a monthly basis:

- a) Number of DTCs existing in the Company.
- b) Number of DTCs already metered.
- c) Number of DTCs yet to be metered.
- d) Time bound monthly programme for completion of the work.

Compliance by the MESCOM:

City / Town Audit is being carried out regularly in MESCOM and the loss levels of all city / towns except Bantwala and Kadur are below 10% for FY21 (Up to August 2020) and furnished the audit details.



Feeder level energy audits as at the end of March 2020 and as at the end of August 2020 are as indicated below:

Sl. No	Period	As at the end of March-2020		As at the end of August-2020	
		Total No. of Feeders	Total No. of feeders audited	Total No. of feeders	Total No. of feeders audited
1	Feeders having less than 15% losses	1055	707	1112	871
2	Feeders having losses between 15% to 20%		136		91
3	Feeders having losses between 20% to 30%		14		13
4	Feeders having more than 30% losses		0		0
	Total		857		975

DTC level energy audits as at the end of March 2020 and as at the end of August 2020 are as indicated below:

Sl. No.	Period	As at the end of March 2020	As at the end of August 2020
1	DTCs having less than 5% losses	7907	7537
2	DTCs having losses between 5% to 10%	3558	4668
3	DTCs having losses between 10% to 15%	2062	1565
4	DTCs having losses between 15% to 20%	284	351
5	DTCs having more than 20% losses	248	285
	Total	14059	14406

The status of DTC metering as on 30.09.20 is as indicated below:

No of DTCs existing in MESCOM	No. of DTCs metered	No. of DTCs yet to be metered
84,136	45,470	38,666

All the field staff are directed to carry out DTC-wise tagging of installations and to submit energy audit of all metered DTCs every month. Action has been taken to replace MNR meters / faulty meters and faulty CT / PTs so as to get the accurate DTCs consumption.

All circle SEEs have been instructed to review energy audit in monthly review meeting and to analyze the data and to take necessary action in this regard. Due to Covid pandemic, conducting division level workshops has been done. However suitable instruction / clarifications / technical supports have been given to field officers, from time to time, to conduct energy audits as per KERC directions. As per directives, action is being taken to conduct workshops to all divisions for effectively conducting energy audits.

In its replies to the preliminary observations, MESCOM is submitting that:

- Action is being taken to meter the remaining DTC's in phased manner depending on the capex proposed / approved by the Commission.
- As per the proceedings of 58th meeting of the Advisory Committee held on 23.09.2019, as per item number 58.5.2, the KERC had directed not to take up the DTC metering work until completion of energy audit work in respect of DTCs already metered.
- All the field staffs are directed to carry out energy audit of all the DTCs which are metered and to submit energy audit of all metered DTCs every month.
- The firm which has fixed AMR meters in MESCOM jurisdiction of which 5 years maintenance period is still in existence, has been instructed to strictly adhere to the conditions in maintaining the meters. Accordingly, replacement of faulty meters, non-communicable meters etc., are being attended by the firm.
- As the consumer indexing is a continuous process, which is affected during addition/ bifurcation/segregation of feeders/ DTCs, all the field staff are directed to update the consumer indexing continuously.



Commission's Views:

The Commission notes that the distribution losses in respect of Bantwal and Kadur are more than 10% during FY21 and therefore, the MESCOM needs to initiate specific remedial measures to bring down the loss levels in respect of these Towns.

The Commission had directed MESCOM to submit the monthly energy audit reports of cities / towns with detailed analysis regularly, to the Commission. The MESCOM needs to conduct energy audit of identified cities / towns and on the basis of energy audit results, initiate necessary action to reduce the distribution losses and improve collection efficiency so as to achieve the targeted AT & C loss of less than 15 per cent. The MESCOM is directed to conduct such energy audit and submit compliance thereon every quarter, regularly to the Commission. The Commission notes that, despite providing meters to large number of DTCs, the MESCOM has failed to take up DTC-wise energy audit of all the DTCs where metering is completed. The Commission notes that the MESCOM has already provided meters to 45,470 number of DTCs and conducted the audit of only a meagre number of 14,400 DTCs. It is difficult comprehend as to what prevents MESCOM from taking up DTC-wise energy audit. This shows that the MESCOM is not serious about taking up DTC level energy audit, despite taking up metering of the DTCs at a huge capex. The MESCOM has also not submitted the compliance regarding DTC-wise energy audit. Hence, the MESCOM is directed to take up energy audit of DTCs for which meters have already been installed and also initiate remedial measures for reducing distribution losses wherever they are above the targeted level.

The Commission notes that substantial quantity of such metered DTCs are provided with Automatic Metering Infrastructure (AMI) in towns wherein RAPDRP are completed, as well as other towns. MESCOM has not furnished the details of the communication status, completion of GIS tagging of consumers etc. MESCOM has to resolve the problems related to communication,



incomplete tagging of consumer installations with the respective feeders / DTCs, software integration issues and other issues.

Similarly, MESCOM has not furnished the information on the energy audit of all the 11 kV lines operating in its jurisdiction. Out of the existing 1,112 number of Feeders, only 975 feeders are said to be audited.

The above facts, clearly show that the MESCOM is not serious about conducting energy audit of 11 kV lines and DTC level energy audit to run its business on commercial principles. It is further seen that the MESCOM is not interested in resolving, the issues relating to tagging / software integration, early, even though it is the universal fact with all the ESCOMs, MESCOM has not spelt out its strategy on these issues to adopt accounting and auditing of energy, as its core function, despite spending huge money on RAPDRP projects, the TRM and many other software. **The action taken by the MESCOM so far is far from satisfactory and the Commission views with displeasure the delay in completing the tagging of consumer installations and taking up energy audit of all the feeders and metered DTCs.**

The MESCOM is directed to take up energy audit of all the 11 kV feeders, DTCs, which are said to be metered and the energy audit of major Cities / Towns and take remedial measures for reducing energy losses in the high loss-making distribution areas. The compliance in respect of energy audit conducted, with the details of analysis and the remedial action initiated to reduce loss levels shall be regularly submitted to the Commission on a quarterly basis.

In spite of the Directives of the Commission, MESCOM has not furnished details on the conduct of workshops at the Division Office level for educating the officers of all cadre, on the importance of conducting the feeder-wise, DTC-wise energy audit. The Commission directs MESCOM to conduct workshops at the Division Office level, educating the officers of all cadres on the importance of conducting the feeder-wise, DTC-wise energy audit and initiating action to reduce the losses in their areas, by addressing several issues viz., consumer



tagging, importance of energy metering and maintaining them in good condition, servicing all the installations strictly by providing appropriate energy meters, provide meters to the DTC's and maintain the meters in good condition, Metering of Street light installations, Replacement of electromechanical meters etc.

Compliance of MESCOM that it has given instructions to the CEEs, SEEs and the field officers to follow the directions of KERC in respect of energy audit is not acceptable. An action plan on conducting such workshops shall be submitted by MESCOM within 60 days from the date of this order.

The feeder-wise and DTC-wise energy audits shall be reviewed in the review meetings at the Circle levels, every month. Copy of the proceedings of such meetings shall be submitted to the Commission for information and further review.

The Commission notes with displeasure the compliances submitted by MESCOM for not conducting the 100% energy audit in respect of 11 kV lines, metered DTC's, directs MESCOM to submit the consolidated energy audit report for the FY21 before 30th June 2021, as per the formats prescribed by the Commission.

10) Directive on Nirantara Jyothi – Feeder Separation:

The ESCOMs were directed to furnish to the Commission, the programme of implementing 11 kV taluk-wise feeders' segregation with the following details:

1. Number of 11 kV feeders considered for segregation.
2. Month wise time schedule for completion of envisaged work.
3. Improvement achieved in supply after segregation of feeders.

Compliance by the MESCOM:

MESCOM has taken up Feeder Segregation works in Shivamogga District covering Shivamogga, Bhadravathi, Soraba & Shikaripura taluks and in

Chikkamagaluru District covering Kadur & Tarikere taluks under DDUGJY scheme. As on October 2020, against the target of 124 feeders as per survey, work has been completed in 102 feeders out of which 78 feeders have been commissioned on new breaker and 10 feeders on existing breaker. The works are under progress in balance feeders.

Further, the nodal agency M/s REC has extended the time lines for completion of said work up to December 2020, considering the huge scope of work, ROW issues and procedural delays in Railway crossing, KPTCL approvals, forest clearances, etc.,

In its replies to preliminary observations, MESCOM is reiterating that, it has taken up feeder Segregation works in Shivamogga District covering Shivamogga, Bhadravathi, Soraba & Shikaripura taluks and in Chikkamagaluru District covering Kadur, Tarikere & Ajjampura taluks under DDUGJY scheme. As on November 2020, against the target of 124 feeders as per survey, work has been completed in 105 feeders out of which 91 feeders have been commissioned on New breakers, 7 feeders are commissioned on existing breakers and in balance 19 feeder's work is under progress.

Commission's Views:

The Commission notes that the progress of work in respect of segregation of agricultural feeders is very poor and slow. MESCOM is said to have taken up feeder segregation works under DDUGJY and the work needs to be expedited for early completion in order to achieve the benefits envisaged in the DPR, on completion of the project. The MESCOM is once again directed to complete the work as per the extended time approved by the REC, without seeking further extension of time.

The Commission had directed MESCOM to submit an action plan for segregation of IP feeders in the remaining Circles of its jurisdiction. The Commission notes that MESCOM has not furnished any information on this.



Hence, MESCOM is directed to explore in detail any possible ways of doing the work with economical way and submit a report within 3 months from the date of this order.

Segregation of agricultural feeders is of utmost importance, for assessing the energy sales to IP sets. In the absence of bifurcation of agricultural feeders, MESCOM is assessing the energy sales to IP sets on the basis of the energy meters provided to pilot DTCs predominantly feeding IP sets. But as per the data furnished by MESCOM, the Commission has observed abnormal and subnormal consumptions in the pilot DTC meters. This shows that, MESCOM has not maintained most of the DTC energy meters feeding predominant IP sets, in good working condition. In view of the above fact the Commission hereby directs MESCOM to complete the work of segregation of agricultural feeders, on time.

Though the nodal agency has given time up to December 2020 to complete the work of segregation of agricultural feeders under DDUGJY, it is seen that the progress of work is poor and directs MESCOM to submit a report on completion of work within the time stipulated.

After segregation of the feeders under NJY / DDUGJY is completed, the MESCOM shall compute the IP-set consumption on the basis of energy meter readings obtained from the meters installed to the exclusive agricultural feeders, at the sub-station level. **If MESCOM fails to complete this work within the time as stipulated by REC i.e., December 2020 and do not maintain sufficient / large number of energy meters provided to DTCs of predominantly feeding IP sets in good working condition, the Commission restricts the sales to IP sets at its discretion and no claims done on this by MESCOM will be entertained. The concerned for such a lapse will be made responsible.**

Therefore, the MESCOM is directed to commission all the remaining feeders taken up at the earliest and thereafter to carry out the feeder-wise analysis to ensure that the objectives set out in the DPR are accomplished.

Further, the MESCOM shall ensure that, any illegal tapping of NJY feeders by the farmers for running their IP-sets should be stopped. Failure to stop this illegal activity will defeat the very purpose of feeder segregation works undertaken at huge cost and therefore, the MESCOM needs to take stern action on such offenders. Further, the field officers / officials who fail to curb illegal tapping shall be personally held responsible for these irregularities.

The Commission reiterates its directive that the MESCOM shall expedite implementation of feeders' segregation work and compliance report thereon shall be submitted to the Commission once in a quarter regularly, without fail.

11) Directive on Demand Side Management in Agriculture

In view of the urgent need for conserving energy for the benefit of the consumers in the State, the Commission had directed the MESCOM 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 and report compliance thereon.

Compliance by the MESCOM:

In order to implement the agricultural DSM in MESCOM, dedicated agricultural feeders were not available. Further, under DDUGJY the feeder segregation activities have been taken up in Shivamogga and Chikkamagaluru Districts for separation of agricultural and non-agricultural loads. At present, the works are under progress. As on September 2020, 74 Nos of IP feeders are formed due to commissioning of New feeders (non-agricultural) under feeder segregation under DDUGJY.

Further, in order to replace existing inefficient irrigation pumps with energy efficient pumps, huge cost has to be invested for energy efficient pumps. Since, the farmer is the beneficiary, they may not be willing to share / bear the cost of energy efficient irrigation pump set and due to this entire cost of energy



efficient pumps has to be borne by MESCOM, which may in turn will be a burden on the other category of consumers.

Further, for taking up the DSM activities, MoU has been signed between BEE, KREDL and MESCOM for implementation of various activities under "Capacity Building of DISCOMs" programme of BEE. As per the MoU, Project Management Consultant (PMC) has to conduct training programmes and also carry out the load research activity i.e., load survey, load research, load strategies by taking field survey etc. and **to develop DSM action plan.**

At present, Master Trainers training and two Circle level training programmes have been completed and in other two Circles, the training has been held up due to Covid-19 pandemic. Further, in respect of load research study, consumer survey has been completed and data verification / analysis and preparation of Load Research report is under process by PMC. With this study output, MESCOM will consider best suitable model for implementation which will be beneficial to both MESCOM and farmer.

Commission's Views:

The Commission notes that the MESCOM has so far not taken up any concrete action to implement the Agricultural DSM measures, in its jurisdiction and is making the same submissions repeatedly. The progress / status reported this year is same as that of the previous 3 years, that too without any appreciable change in the field. The MESCOM needs to expedite implementation of DSM measures in its jurisdiction, without any further delay. There is a huge potential for energy saving in the agricultural sector which needs to be tapped as early as possible to derive the benefits of the same on completion of the project. Therefore, the MESCOM should lay strong emphasis for implementation of DSM measures with a view to conserve energy and also precious water for the greatest benefit of farmers.



Therefore, the Commission reiterates its directive that MESCOM should take up Agricultural DSM initiatives in its jurisdiction and submit suitable proposals to the Commission for approval.

12) Directive on Lifeline Supply to Un-Electrified households:

The Commission had directed the MESCOM to prepare detailed time bound action plan to provide electricity to all the un-electrified villages, hamlets and habitations in every taluk and to every household therein. The action plan was required to spell out the details of additional requirement of power, infrastructure and manpower along with the shortest possible time frame (not exceeding three years) for achieving the target in every taluk and district. The Commission had directed that the data of un-electrified households could be obtained from the concerned Gram Panchayats and the action plan be prepared based on the data of un-electrified households.

Compliance by the MESCOM:

It is submitted that MESCOM has taken up Households Electrification works in all four Districts i.e., Dakshina Kannada, Udupi, Shivamogga and in Chikkamagaluru under DDUGJY / Soubhagya schemes. Further, works have been completed under DDUGJY / Soubhagya schemes. 32,571 Nos of BPL households have been electrified under DDUGJY and 5,670 Nos of households have been electrified under Saubhagya (including 207 households electrified through Solar Standalone system).

Commission's Views:

The Commission takes note of the progress achieved in electrification of un-electrified households under DDUGJY scheme. MESCOM needs to furnish the details of release of grants and other financial benefits for completion of the scheme within the time extension given by the implementing agency as claimed by MESCOM. MESCOM shall undertake a survey of un-electrified



households in its area to find out if any of the houses are yet to be electrified and electrify such households with the permission of the respective implementing agency / the GoK. The MESCOM is therefore, directed to expedite the task of providing electricity to all the un-electrified households and report compliance to the Commission giving the details of the progress.

The MESCOM is therefore, directed to expedite the task of providing electricity to all the un-electrified households and report compliance to the Commission giving the details.

13) Directive on Implementation of Financial Management Framework:

The present organizational set up of the MESCOM at the field level appears to be mainly oriented towards maintenance of power supply without a corresponding emphasis on realization of revenue against the power supplied to the consumers. This has resulted in a serious mismatch between the power supplied, expenditure incurred and the revenue realized in many cases. The continued inability of the MESCOM to effectively account the input energy and its sale in different Sub-Divisions of the MESCOM in line with the revenue realization rate fixed by the Commission, urgently calls for a change of approach by the MESCOM, so that the field level functionaries are made accountable for ensuring realization of revenues vis-à-vis the input energy supplied to the jurisdiction of Sub-Division / division.

The Commission had therefore directed the MESCOM to introduce a system of Cost Revenue Centre Oriented Sub-Divisions at least in two divisions, on a pilot basis, in its operational area and report the results of the experiment to the Commission.

Compliance by the MESCOM:

As per the directions of the Hon'ble Commission, stringent actions have been initiated by the Company with respect to Fixing of Targets, Recovery of Revenue Arrears, reduction of distribution losses, energy audit etc., The progress

achieved by the divisions are being reviewed by the higher authorities on monthly basis.

Revenue demand:

The Commission has approved the ARR of Rs.7.14 per unit for FY 2019-20. Instructions have been issued to the divisions to achieve the targeted ARR by 100 percent metering and billing. Same target of Rs. 7.14 is considered for FY 2020-21 also and the achievement against the targets for FY 2020-21 has been submitted. On evaluation, it is observed that, in some of the divisions where the percentage of IP set Consumers is more, the targeted ARR could not be achieved.

Revenue Collections:

MESCOM has given the target to ensure 100 percent meter reading, billing and collection of the revenue demanded in each month and has achieved the collection efficiency of 96.73% during FY 2019-20. The Closing Balance Ratio of the Company is 1.62 as on 31.03.2020. Division-wise Collection efficiency and C.B Ratio for FY 2019-20 and 2020-21 (upto September 2020) has been furnished by MESCOM.

Reduction in Distribution Losses:

The Commission has approved the distribution loss of 11.00% for FY 2019-20 against which MESCOM has achieved 10.07%, which is well within the approved limit. The division-wise distribution loss levels for the last 5 years are furnished by MESCOM.

The overall distribution loss level of the Company is on a decreasing trend. In respect of the divisions where recorded loss is higher than the approved level, instructions have been issued for further reduction of losses by replacing MNR meters, detecting theft, re-conductoring of deteriorated distribution lines and executing other allied improvement works etc.,

Further, the Commission has approved the distribution loss of 10.00% for FY 2020-21 and accordingly targets were given to the divisions. The achievements against the target up to 2nd quarter of the year 2020-21 have been furnished by MESCOM.

In its reply to preliminary observations, MESCOM has informed that, as at the end of October 2020, the total receivables of Rs.560 Crores were existing, which include arrears of ULBs, RLBs, Govt. Departments., MPM and IP arrears pertaining to the period prior to 01.08.2008.

It is submitted that MESCOM is constantly perusing with the ULB / RLB and other Government authorities for liquidation of the receivables through protracted correspondences.

Commission's Views:

The Commission notes that the MESCOM has not implemented the financial framework model, so as analyze the performance up to the divisions level. MESCOM should have taken up two divisions to analyze quantum of energy received, sold and cost thereon so that they conduct their business on commercial principles.

The Commission notes that the MESCOM has submitted data on the financial framework model, on the basis of the ARR and Distribution losses approved for MESCOM in the previous Tariff Order to all the divisions. The commercial principles for operation of the Company, envisaged in the directives are not extended to the level of the Sub-Divisions. Also, MESCOM is not submitting the compliance in respect of implementation of Financial Management Framework, on quarterly basis, to the Commission, as directed.

The Commission has been receiving complaints from the consumers and stakeholders about the accumulation of revenue arrears and failure to recover the long- standing arrears which is causing adverse financial impact on the MESCOM's Cash flows. Comparing the data submitted in the present tariff filing

and the data submitted during the previous year's tariff filing, it is observed that the closing balance ratio of the Company as on 31.03.2019 was 0.99, whereas the ration has increased to 1.62 as on 31.03.2020. This shows that the performance of MESCOM has decreased during FY20. Though, MESCOM has informed that it is continuously following up with all the Government Departments, the arrears are accumulating. The Commission directs MESCOM to chalk out a stringent action plan to recover the long-standing accumulated arrears including recovery of old subsidy dues from the Government.

The Commission directs the MESCOM to review the performance of the divisions & Sub-Divisions in terms of the energy received, sold, average revenue realization and average cost of supply using the financial framework Model. Further, the MESCOM is directed to continue to analyze the following parameters each month to monitor the performance of the divisions / Sub-Divisions, at corporate level:

- a) Target losses fixed and the achievement at each stage.
- b) Target revenue to be billed and achievement against each tariff category of consumers.
- c) Target revenue to be collected and achievement under all tariff categories.
- d) Target revenue arrears to be collected.
- e) Targeted distribution loss reduction when compared to previous years' losses.
- f) Comparison of high-performance divisions in sales and revenue with low performing divisions and take corrective measures to improve sale and revenue of low performing divisions.
- g) Targeted achievement in performing the energy audit, feeder-wise, DTC-wise, and the performance in achieving the reduction in energy losses of feeders, DTCs by setting right the lacuna's / issues viz., proper metering tagging of consumers properly etc.,



Based on the analysis, the MESCOM needs to take corrective measures to ensure 100 per cent meter reading, billing, and collection, through identification of feeders showing high losses, sub-normal consumption in meters, replacement of non-recording meters etc.

The Commission reiterates its directive that the MESCOM shall continue to implement the Financial Management Framework Model and report compliance thereon regularly, on a quarterly basis to the Commission. MESCOM shall identify the sub-divisions and divisions which are not collecting the required rate of ARR and take remedial measures to ensure full recovery of revenue. The Commission directs MESCOM to submit the financial framework analysis for FY20 and FY21 within May 2021.

14) Directive on Prevention of Electrical Accidents:

On a review of the electrical accidents that have taken place in the State during the past years, it is seen that the major causes of the accidents are due to snapping of LT / HT lines, accidental contact with live LT / HT / EHT lines / equipment in the streets, hanging live wires around the electric poles / transformers, violation / neglect of safety measures, lack of supervision, inadequate / lack of maintenance, etc., posing greater threat to human lives.

Considering the above facts, the Commission hereby directs the MESCOM to prepare an action plan to effect improvements in its distribution network and implement safety measures to prevent electrical accidents. A detailed division-wise action plan shall be submitted by the MESCOM to the Commission.

Compliance by the MESCOM:

With the aim of prevention of electrical accidents, MESCOM has already taken action for distribution of manual for "Safety / Technical Audit for Power Distribution System" prepared by the commission to all the field officers of MESCOM, who are maintaining the distribution network and instructions were issued to follow the guidelines issued in the said manual scrupulously. The Chief



Engineer (Elec) of each O&M Zone of MESCOM is designated as "Electrical Safety Officer" and instructed to take action to prepare the action plan on prevention of electrical accidents.

Safety gears such as, earthing rods, Helmets, high voltage Detectors, Safety kits, etc., are provided to all the linemen of MESCOM and periodical training is imparted to them on use of safety gears while working in the Distribution Network by providing safety instruction manual and various field demonstrations through trained professionals through HRD Training Centre of MESCOM. The MESCOM HRD wing has conducted the training on safety measure to be taken while working on electrical network.

Further, MESCOM has planned to impart training on the above issue by creating 14 teams with 460 trainees during 2020-21. But due to Covid-19 pandemic Training programme has not yet started.

For public awareness wide publicity on 'Do's & Don'ts' have also been given in daily newspapers and Audio jingles are being announcing in people concentrated area like 12 KSRTC Bus stations in MESCOM jurisdiction. As per the directive, MESCOM has made sincere efforts for identification of all the hazardous installations in the distribution system which is a continual process. However, MESCOM has given higher priority for rectification of hazardous installations in densely populated areas / public areas.

In order to prevent fatal electrical accidents, MESCOM is taking measures to rectify the hazardous locations / installations and providing HT / LT protections to Distribution transformer Centre where such protections are not satisfactory. Identifying and rectifying hazardous locations is a continuous process which MESCOM is ensuring with utmost priority.

In its replies to the preliminary observations, MESCOM is informing that, the Hazardous locations are being identified on periodical inspection by the field staff and being rectified on priority and furnished the details of hazardous



locations identified during the FY20 and FY21 till October 2020. Also furnished the summary of the analysis made on the accident reports submitted by the Electrical Inspectorate for FY20.

After the analysis MESCOM observed that, most of the non-departmental electrical accidents occurred due to negligence on the part victim / public. Electrical accidents occur to livestock due to conductor falling on the ground, and in such case MESCOM has taken immediate action to replace the deteriorated conductors in the distribution network to prevent such accidents in future. MESCOM is also identifying and rectifying hazardous locations as and when found to prevent electrical accidents. During the course of execution of system improvement works, replacement of deteriorated conductors in the LT network has been taken up in a phased manner to prevent electrical accidents.

MESCOM will furnish the compliance periodically, as per the directives of the Commission.

Commission's Views:

The Commission notes that various remedial measures including rectification of hazardous installations in its distribution network have been taken by the MESCOM. However, despite these measures, the rate of fatal electrical accidents involving human, animal and livestock is on an increase, which is a matter of serious concern to the Commission. The frequent occurrence of electrical accidents indicates that there is an urgent need for identification and rectification of hazardous installations, more systematically and regularly. Therefore, the MESCOM should continue to focus on identification and rectification of all the hazardous installations including streetlight installations / other electrical works, under the control of local bodies to prevent electrical accidents. MESCOM should also take up continuous awareness campaigns through visual / print media on safety aspects relating to electricity among public.



MESCOM should carry out more effective periodical maintenance works, provide and install LT protection to distribution transformers, and also ensure use of safety tools & tackles by the field-staff, besides imparting necessary training to the field-staff, at regular intervals.

The Commission is of the view that the existence of hazardous installations in the distribution network is obviously due to sub-standard works carried out by MESCOM, without adhering to the best standards & practices in construction / expansion of the distribution network. The MESCOM needs to conduct regular safety audit of its distribution system and carryout preventive maintenance works as per schedule of the Safety Technical Manual issued by the Commission, to keep the network and equipment in healthy condition.

The Commission, reiterates its directive that the MESCOM shall continue to take adequate measures to identify and rectify all the hazardous locations / installations existing in its distribution system under an action plan to prevent and reduce the number of electrical accidents occurring in its distribution system. Further, it shall also focus on rectifying the hazardous consumer installations. Any lapse on the part the concerned officers/ officials should entail them to face disciplinary action.

MESCOM shall submit an action plan for reducing the accidents in MESCOM area, within a month of the date of this Order. Thereafter, the compliance thereon shall be submitted to the Commission every month, regularly.



APPENDIX - 1

Abstract of Written Objections/ Comments/ Suggestion from the Stakeholders and the Replies by MESCOM, thereon	
1	MA-01
A) The objector has argued the following to state that the Tariff Petition filed by MESCOM is not maintainable:	
a) The petition has been filed on 05-01-2020 which is not 120 days before the commencement of financial year.	MESCOM has filed the petition before Hon'ble Commission on 30-11-2020 which is within 120 days before the commencement of financial year.
Commission Views: As per the records available with Commission MESCOM has filed the petition on 30 th November 2020.	
b) MESCOM has not detailed the efficiency improvement measures.	The Commission will compute the efficiency gains to be transferred to the consumers while approving the APR.
Commission Views: The Commission notes	the reply provided by MESCOM
c) MESCOM has taken APR deficit of FY-20 as Rs.160.10 Cr. This should not be loaded on to the consumers. But should be borne by the Government.	As per the provision of MYT regulations, the Commission has to consider the revenue gap of FY20 for incorporating in the ensuing year tariff.
Commission Views: The Commission notes	the reply provided by MESCOM
d) "Cost to Serve" model not approved.	The computation of of average cost of supply the rationale for that also furnished in the tariff orders. One of the reasons for considering the average cost of supply is due to the fact that the distribution network in Karnataka is such that it is difficult to segregate the common cost between different classes of consumers. The Voltage-wise Cost of service is provided by the Commission in the Annexure to the Tariff Order.
Commission Views: The Commission notes	the reply provided by MESCOM
e) Resorting to load shedding without approval of KERC.	The scheduled load shedding is being notified in advance. However, the unscheduled load shedding is resorted to only when the power supply demand and the availability mismatches. Even after taking all the precautionary measures & plans the sudden reduction in generation by some generators or increase in consumption load for the reasons which are beyond their control will affect the power supply position.
Commission Views: The Commission notes	the reply provided by MESCOM
f) Tariff proposed for IP sets category is below average cost of supply.	MESCOM has proposed the increase for IP set category by 157 paise per unit. The tariff in respect of IP category is after factoring the cross subsidy from other cross subsidizing categories. In the

		prevailing socio-economic conditions continuing the cross subsidization is inevitable.
	Commission Views: The Commission notes	the reply provided by MESCOM
	g) MESCOM has totally failed in improving efficiency of its operations and complying with the directives of the Commission.	The statement of the objector is not acceptable. The Commission is periodically reviewing the performance of MESCOM and also compliance of various directives.
	Commission Views: The reply furnished by	is acceptable.
	B) Following are the statements of the objector on Truing-Up for FY20 / ARR for FY22.	
	a) MESCOM has incurred power purchase cost over and above approved by Hon'ble Commission. MESCOM should have controlled the power purchase cost.	The power purchase cost is an uncontrollable cost, since the primary responsibility of a distribution company is to provide continuous and quality supply to its consumers, subject to technical constraints. The Commission has also been treating the same as 'uncontrollable' expenditure in the MYT regulations. Thus, it is not fair to regulate the consumption of consumers in order to limit the power purchase cost.
	Commission Views: The reply furnished by	MESCOM is acceptable.
	b) MESCOM has not incurred the capex within the limit approved by the Commission.	The capex incurred is validated by the Commission.
	Commission Views: The reply furnished by	MESCOM is acceptable.
	c) In case of LT-5 installations the consumption growth is negative. In case of HT-2a category, the growth rate is meager. MESCOM should have taken corrective action.	MESCOM is also concerned about the decrease in consumption in respect of industrial category. But power tariff is not the sole reason for the reduced electrical consumption. One of the objectors to the MESCOM's tariff petition, Karnataka Chamber of Commerce and Industries, Mangaluru, has observed that the small scale industries are reeling under severe hardship on account of global recession, demonetization, and reduced sales and recessionary conditions prevailing in the domestic market.
	Commission Views: The reply furnished by	MESCOM is acceptable.
	C) Following are the statements of the objector on Compliance to Directives:	
	a) Since there is surplus generation, MESCOM may supply TOD power to HT industries at lesser rate.	The Commission may take a view. MESCOM has concurred with the proposal of BESCO which is envisaging supply of electricity at discounted rate to the industries.
	Commission Views: The reply furnished by	MESCOM is acceptable. The matter pertaining to TD Tariff has been dealt with separately in this Tariff Order.
	b) Timer switches are not provided to street lights.	Fixing & maintenance of the street lights is the responsibility of local bodies. This aspect has been brought to the kind notice of the Commission and

		the Commission has directed MESCOM to convince the local bodies to take action in this regard.
	Commission Views: The Commission notes	the reply provided by MESCOM
	c) Independent feeders are to be provided to industries.	On specific application from the individual industries the feasibility of providing independent feeders will be examined.
	Commission Views: The reply furnished by	MESCOM is acceptable.
	d) MESCOM has not indicated the details of how many installations are yet to be serviced with solar water heaters.	Installing solar water heater is optional for domestic consumers for which they are entitled to rebates as provided by Hon'ble Commission.
	Commission Views: The Commission notes	the reply provided by MESCOM
	e) Nirantara Jyothi Scheme is being done as per the Govt. directions for better supply to rural consumers. As this is the Govt. welfare scheme, the related capital cost should be borne by Govt. and not by consumers.	The Central Government is providing 60% grant for implementing feeder segregation scheme. The remaining 40% have to be borne by respective ESCOMs.
	Commission Views: The reply furnished by	MESCOM is acceptable.
	f) MESCOM is not serious in implementing HVDS.	Focus on HVDS program is required where cluster of electrical load exists. But MESCOM is having staggered electrical loads. However, MESCOM while expanding its electrical network is aiming to increase HT network as much as possible.
	Commission Views: The Commission has	directed the ESCOMs not to take up HVDS works until further directions from the Commission.
	g) MESCOM has not completed metering of DTCs to work out the losses in order to plug the same. Energy losses in majority of the feeders are more than 15%.	MESCOM is initiating action to streamline the data obtained from the meters fixed to DTCs for effective energy audit.
	Commission Views: The Commission has	issued directives regarding 100% DTC metering for effective energy audit. The reply provided by MESCOM is not satisfactory.
	h) No action plan proposed by MESCOM to prevent electrical accidents.	MESCOM is periodically identifying the hazardous installations and system improving programmes are being suitably made to rectify the hazardous installations in order to prevent the electrical accidents. Directions have been issued to the field officers for taking up the safety audit of the electrical system
	Commission Views: The reply furnished	by by MESCOM is acceptable.
	i) HT/LT lines ratio not maintained at the level of 1:1.	It is to be submitted that 1:1 is the ideal ratio to be maintained for HT/LT lines and MESCOM keeps it in view as benchmark, as far as possible, while implementing system improvement works.

	Commission Views: The reply furnished by MESCOM is acceptable.	
	j) MESCOM is hiding the data relating to Reliability Index as it appears that there is no improvement in quality of supply.	MESCOM has no intention to hide the data. MESCOM is providing the data of Reliability Indices to the Commission regularly and the same is also being hosted on the MESCOM's website.
	Commission Views: The reply furnished by MESCOM is acceptable.	
	k) MESCOM has not given the details of failures of Distribution Transformers.	During the year 2018-19 MESCOM has recorded a failure rate of 10.38% of Distribution Transformers. In the current year, upto Dec-20, the failure rate is only 6.62%.
	Commission Views: The reply furnished by MESCOM is acceptable.	
	l) MESCOM is quoting only distribution losses but not ATC losses.	The ATC loss is correlated with the distribution loss. However, it is to be indicated that ATC loss of MESCOM for FY20 is 14.850%.
	Commission Views: The reply furnished by MESCOM is acceptable.	
	m) MESCOM is not monitoring the implementation of Standards of Performance.	The Standards of performance as per the KERC (Licensee's standards of performance) Regulation-2004 is being hosted on MESCOM website. Action is being taken to display the SoP in all subdivision /Divisions of MESCOM. Periodical reports are being sent to Hon'ble Commission regularly.
	Commission Views: The reply furnished by MESCOM is acceptable.	
	D) The increase proposed in demand charges for HT category by Rs.100/- per kVA has been objected.	In order to maintain the electrical network to its optimum, it is desirable that ESCOMs are to be guaranteed recovery of fixed charges in full whereas with the proposed increase in Fixed/Demand Charges, MESCOM will be able to recover only about 30% of the fixed cost component and the remaining fixed charges are inbuilt in energy charges.
	Commission Views: The reply furnished by MESCOM is acceptable.	
	E) Following are the statement of the objector on the Annual Revenue Requirement & Tariff revision.	
	a) Software companies should be brought under Commercial Tariff.	On the above, it is to be submitted that MESCOM will follow Commission's order.
	b) Solar rebate should be enhanced to Rs.100/-.	
	Commission Views: It is Policy of the GoK to treat the software companies as industry. Based on the certificates issued by the concerned Government departments, the IT companies are given a status of industry.	
	c) MESCOM has not produced the subsidy allocation letter.	As per the policy of the Govt., electricity charges in respect of BJ/KJ consumers upto 40 units and IP set consumers upto 10 HP have to be released by the Govt. to the respective ESCOMs.
	Commission Views: The subsidy allocation is done by the Government in the budget. Before the budget is announced, MESCOM will not be able to produce the subsidy allocation letter.	

	d) Segregation of technical and commercial losses not done.	In the energy flow diagram MESCOM has indicated the commercial and technical loss separately
	Commission Views: The Commission notes the reply provided by MESCOM	
	e) In the absence of Cost to Serve model, demand / fixed charges should not be increased.	In this regard, it is to be submitted that the request of the objector is untenable. For catering to power supply to its consumers ESCOMs have to construct & maintain the electrical network and it should also be kept in ready state at all times so that the consumers get supply whenever required. For constructing and maintaining the electrical network ESCOMs are incurring certain expenditures which are fixed in nature. These fixed costs are to be recovered justifiably from the consumers who are all on the electrical network even in case of no supply also.
	Commission Views: The reply by MESCOM is not relevant. The reasons for not implementing cost to serve have been discussed in all the previous orders. The cost of service to voltage-wise supply is also indicated in the Annexure to the tariff Order.	
	F) Following are the statements of the objector under the head "GENERAL". <ul style="list-style-type: none"> In the absence of 100% metering KERC should not allow cross subsidy in respect of un-metered category. Substantial reduction in tariff is required for survival of industries in Karnataka. Requested the Commission to endeavor to balance cross subsidy while determining the tariff. Cost of supply should be the base for determination of tariff. Tariff should not be increased for small scale industries. 	The statements of objector are advisory in nature and the Commission may take a view.
	Commission Views: In the absence of meters to the IP sets, the consumption is being arrived at with the sample DTC meters. Hence, the question of not allowing cross subsidy will not arise. The other suggestions regarding cross subsidy are noted.	
	G) Introduce prepaid meters and refund the security deposit collected.	In the 7th Amendment to the Conditions of Supply in the State of Karnataka, the Commission has introduced prepaid meters to public water supply, street lights and Government Offices at the option of the consumers.
	Commission Views: The reply furnished by MESCOM is acceptable.	

2	MA-02 to MA-07
<p>ಆಕ್ಷೇಪಣೆದಾರರ ಆಕ್ಷೇಪಣೆಗಳು ಇಂತಿವೆ.</p> <ul style="list-style-type: none"> • ಯಾವುದೇ ವರ್ಗಗಳಿಗೆ ವಿದ್ಯುತ್ ದರವನ್ನು ಏರಿಸಬಾರದು. ವಿದ್ಯುತ್ ವಿತರಣಾ ನಷ್ಟವನ್ನು ಸೂಕ್ತವಾಗಿ ನಿರ್ವಹಿಸಿದಲ್ಲಿ ದರ ಏರಿಕೆಯ ಅಗತ್ಯವಿರುವುದಿಲ್ಲ. • ಕಂದಾಯ ಕೊರತೆ ಸರಿದೂಗಿಸಲು ದರ ಏರಿಕೆಯ ಬದಲು ಸರ್ಕಾರವೇ ಶಿಕ್ಷಣ, ಆರೋಗ್ಯ ಇಲಾಖೆಗಳಿಗೆ ನೀಡುವಂತೆ ಅನುದಾನ ನೀಡಬೇಕು. • ವಿದ್ಯುತ್ ಜಾಗೃತ ದಳದ ಕಾನೂನು, ನೀತಿ ನಿಯಮಗಳ ಬಗ್ಗೆ ಬಗ್ಗೆ ಗ್ರಾಹಕರಿಗೆ ತಿಳುವಳಿಕೆ ಮೂಡಿಸುವ ಮಾಹಿತಿ ನೀಡಬೇಕು. • ವಿದ್ಯುತ್ ದುರ್ಬಳಕೆ, ವಿದ್ಯುತ್ ಸೋರಿಕೆಯನ್ನು ತಡೆಗಟ್ಟಲು ಕ್ರಮ ಕೈಗೊಳ್ಳಬೇಕು. • ಕೃಷಿ ಪಂಪುಸೆಟ್ಟುಗಳಿಗೆ ಉಚಿತ ವಿದ್ಯುತ್ ನೀಡಲಾಗುತ್ತದೆ. ಆದ್ದರಿಂದ ವಿದ್ಯುತ್ ಬಿಲ್ ಕಳುಹಿಸಿ ರೈತರಲ್ಲಿ ಗೊಂದಲ ಮೂಡಿಸಬಾರದು. • ಕೃಷಿ ಪಂಪುಸೆಟ್ಟುಗಳಿಗೆ ಹೊಸ ಸಂಪರ್ಕ ನೀಡುವಾಗ ರೂ.10000/- ನ್ನು ವಸೂಲಿ ಮಾಡಬಾರದು. • ಹೊಸ ವಿದ್ಯುತ್ ಸಂಪರ್ಕ ಮಾಡುವಾಗ ಗ್ರಾಹಕರಿಂದ ಹೆಚ್ಚುವರಿ ಶುಲ್ಕ ವಸೂಲಿ ಮಾಡಬಾರದು. ಮೀಟರ್ ಹಾಳಾದ ಸಂದರ್ಭದಲ್ಲಿ ಗ್ರಾಹಕರಿಂದ ಯಾವುದೇ ಹಣ ವಸೂಲಿ ಮಾಡಬಾರದು. ವಿದ್ಯುತ್ ಬಿಲ್ಲು ಬಾಕಿಗೆ ದುಬಾರಿ ಬಡ್ಡಿ ವಿಧಿಸಬಾರದು. • ವಿದ್ಯುತ್ ಸಂಬಂಧಿತ ದೂರು ನಿರ್ವಹಣಾ ತಂಡವನ್ನು ಶಾಖಾ ಕಛೇರಿಗಳಲ್ಲಿ ವಾಹನ ಸಹಿತ ಮಾಡುವ ವ್ಯವಸ್ಥೆಯನ್ನು ಮಾಡಿ, ದುರಸ್ತಿ ಕಾರ್ಯಕ್ಕೆ ಹೆಚ್ಚಿನ ಗಮನ ಕೊಡಬೇಕು. 	<p>ಈ ಆಕ್ಷೇಪಣೆಗಳ ಬಗ್ಗೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ.</p> <ul style="list-style-type: none"> ✓ ವಿದ್ಯುತ್ ದುರ್ಬಳಕೆ, ಸಾಗಾಣಿಕಾ ನಷ್ಟವನ್ನು ನಿರ್ವಹಿಸುವಲ್ಲಿ ಮವಿಸಕಂ ಹಲವಾರು ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿದೆ. ಇದರಿಂದಾಗಿ ಮವಿಸಕಂ ನ ವಿದ್ಯುತ್ ವಿತರಣಾ ನಷ್ಟವು ರಾಜ್ಯದ ಇತರೆ ಕಂಪನಿಗಳಿಗೆ ಹೋಲಿಸಿದಲ್ಲಿ ಅತ್ಯಂತ ಕಡಿಮೆ ಅಂದರೆ 2019-20 ನೇ ವರ್ಷದಲ್ಲಿ ಶೇ.10.070 ಆಗಿರುತ್ತದೆ. ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆ ಸಾಗಣೆ, ವಿದ್ಯುತ್ ಸರಬರಾಜು ಹಾಗೂ ವಿದ್ಯುತ್ ಜಾಲಗಳ ನಿರ್ವಹಣೆ ಸಂಬಂಧಿತ ಅವಲಂಬಿತ ಅಂಶಗಳಲ್ಲಿನ ದರ ಏರಿಕೆ, ಹೆಚ್ಚಿದ ವಿದ್ಯುತ್ ಉಪಯೋಗ ಮತ್ತು ಹಣದುಬ್ಬರದ ಪರಿಣಾಮ ಇವುಗಳು ಇತರೆ ಸಂಸ್ಥೆಗಳಿಗೆ ಬಾಧಿಸುವ ರೀತಿಯಲ್ಲಿಯೇ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳಿಗೂ ಬಾಧಿಸುತ್ತಿದ್ದು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳ ಆದಾಯದ ಮೂಲ, ಗ್ರಾಹಕರು ಬಳಸುವ ವಿದ್ಯುಚ್ಛಕ್ತಿಗೆ ವಿಧಿಸುವ ದರಗಳಲ್ಲದೆ ಬೇರೆ ಮೂಲಗಳಿಲ್ಲವಾದ್ದರಿಂದಲೂ ದರ ಏರಿಕೆ ಅನಿವಾರ್ಯವಾಗಿರುತ್ತದೆ. ✓ ಅನುದಾನ ನೀಡುವಿಕೆಯು ಸರ್ಕಾರದ ಕಾರ್ಯ ನೀತಿಗೆ ಸಂಬಂಧಿಸಿದ್ದಾಗಿದ್ದು, ಈ ಬಗ್ಗೆ ಮವಿಸಕಂ ಪ್ರತಿಕ್ರಿಯಿಸಲು ಸಾಧ್ಯವಿಲ್ಲ. ✓ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಕಾಯಿದೆ 2003 ಹಾಗೂ ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ರೂಪಿಸಿರುವ ನಿಯಮಗಳ ರೀತ್ಯಾ ವಿದ್ಯುತ್ ಕಳ್ಳತನದ ಪ್ರಕರಣಗಳನ್ನು ದಾಖಲಿಸಿ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುತ್ತಿದೆ. ಜಾಗೃತದಳ ತಂಡಗಳ ವರದಿ ಆಧಾರದ ಮೇಲೆ ವಿಧಿಸಿರುವ ದಂಡ ಮೊತ್ತದ ಮರು ಪರಿಶೀಲನೆಗೆ ಸೆಕ್ಷನ್ 127 ವಿದ್ಯುಚ್ಛಕ್ತಿ ಕಾಯಿದೆ 2003 ರ ಪ್ರಕಾರ ಅವಕಾಶವಿರುತ್ತದೆ. ಈ ಎಲ್ಲಾ ನಿಯಮಗಳನ್ನು ತಿಳಿಯಪಡಿಸುವ ವಿಸ್ತೃತ ವಿವರಗಳನ್ನು ಮ.ವಿ.ಸ.ಕಂ. ವೆಬ್ ಸೈಟ್ ನಲ್ಲಿ ಪ್ರಚುರಪಡಿಸಲಾಗಿದೆ. ✓ ಎಲ್ಲಾ ಶಾಖಾ ಕಚೇರಿಗಳ ಸಿಬ್ಬಂದಿಗೆ ವಿದ್ಯುತ್ ಲೈನ್ ದುರಸ್ತಿ ಹಾಗೂ ದೂರು ನಿರ್ವಹಣೆ ಮಾಡಲು ನಿರ್ದೇಶನ ನೀಡಲಾಗಿದೆ. ವಿದ್ಯುತ್ ಸೋರಿಕೆಯ ಪ್ರಕರಣಗಳನ್ನು ಗ್ರಾಹಕರು/ಮೆಸ್ಯಾಂ

		<p>ಸಿಬ್ಬಂದಿ ಅಥವಾ ಬೇರೆ ಯಾರು ಮೆಸ್ಕಾಂ ಗಮನಕ್ಕೆ ತಂದಲ್ಲಿ ಕೊಡಲೇ ಸೂಕ್ತ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುವುದು.</p> <ul style="list-style-type: none"> ✓ ಮ.ವಿ.ಸ.ಕಂ ಕೃಷಿ ಪಂಪುಸೆಟ್ ಗ್ರಾಹಕರಿಗೆ ಬಿಲ್ ನೀಡುತ್ತಿದ್ದರೂ ಅದರಲ್ಲಿ “ಸರ್ಕಾರವು ಪಾವತಿಸುತ್ತದೆ” ಎಂಬುವುದನ್ನು ನಮೂದಿಸಿದೆ. ಸರ್ಕಾರವು ನೀಡುತ್ತಿರುವ ಸಹಾಯಧನ ಮೊತ್ತದ ಬಗ್ಗೆ, ಸಹಾಯಧನ ಪಡೆಯುತ್ತಿರುವ ಎಲ್ಲಾ ಕೃಷಿ ಬಳಕೆದಾರರಿಗೆ ತಿಳಿಯಪಡಿಸಲು ಬಿಲ್ ನೀಡುತ್ತಿರುವುದು ಸಮಂಜಸವಾಗಿದೆ. ✓ ಕೃಷಿಕ ಪಂಪುಗಳಿಗೆ ಹೊಸ ಸಂಪರ್ಕ ನೀಡುವಾಗ ರೂ. 10,000/- ಪ್ರತಿ ಪಂಪುಸೆಟ್‌ಗೆ ಮೂಲಭೂತ ಸೌಕರ್ಯ ಶುಲ್ಕ ವಸೂಲು ಮಾಡುವಂತೆ ಮಾನ್ಯ ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಆದೇಶವಿರುತ್ತದೆ. ✓ ಹೊಸ ವಿದ್ಯುತ್ ಸಂಪರ್ಕ ನೀಡುವಿಕೆ, ಮೀಟರ್ ಗಳ ಬದಲಾವಣೆ, ವಿದ್ಯುತ್ ಬಾಕಿಗೆ ಬಡ್ಡಿ ವಿಧಿಸುವುದು ಈ ಎಲ್ಲಾ ವಿಷಯಗಳೂ ಒಳಗೊಂಡಂತೆ ಮವಿಸಕಂ ಗೌರವಾನ್ವಿತ ಆಯೋಗದ ನಿಯಮಾವಳಿಗಳ ಪ್ರಕಾರ ಕ್ರಮ ಕೈಗೊಳ್ಳುತ್ತಿದೆ. ✓ ಉಪವಿಭಾಗ ಮಟ್ಟದಲ್ಲಿ ಸರ್ವಿಸ್ ಸ್ಟೇಷನ್‌ಗಳು ವಾಹನಗಳನ್ನೂ ಒಳಗೊಂಡು ಅಗತ್ಯ ಮೂಲ ಸೌಲಭ್ಯಗಳನ್ನು ಹೊಂದಿದ್ದು ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿವೆ. <p>ಮೇಲೆ ವಿವರಿಸಿರುವ ಎಲ್ಲಾ ಅಂಶಗಳನ್ನು ಪರಿಗಣಿಸಿ, ಮ.ವಿ.ಸ.ಕಂ. ಸಲ್ಲಿಸಿರುವ ದರ ಏರಿಕೆ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಪರಿಗಣಿಸಬೇಕೆಂದು ಮ.ವಿ.ಸ.ಕಂ. ಗೌರವಾನ್ವಿತ ಆಯೋಗವನ್ನು ಕೋರಿದೆ</p>
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
3	MA-08 to MA-15	
	<p>1. ಚಾಲ್ತಿಯಲ್ಲಿರುವ 2020 ಮತ್ತು 2021 ನೇ ಸಾಲಿನಲ್ಲಿ ಕೋವಿಡ್ ಬಾಧೆಯ ಕಾರಣವಾಗಿ ಜನರ ಹಿತದೃಷ್ಟಿಯಿಂದ ವಿದ್ಯುತ್ ಶುಲ್ಕ ಏರಿಕೆ ಮಾಡಬಾರದು. ಈ ಸಾಲಿನಲ್ಲಿ ಎಲ್ಲಾ ವರ್ಗದ ಕೈಗಾರಿಕೆಗಳು ಕಾರ್ಯನಿರ್ವಹಿಸದೆ ಸ್ಥಗಿತಗೊಂಡು</p>	<p>ಕೆ.ಇ.ಆರ್.ಸಿ. ನಿಯಮಗಳ ಪ್ರಕಾರ ಮುಂದಿನ ಆರ್ಥಿಕ ವರ್ಷಕ್ಕೆ ವಿದ್ಯುತ್ ಖರೀದಿ ವೆಚ್ಚವನ್ನೂ ಒಳಗೊಂಡಂತೆ ಮೆಸ್ಕಾಂ ನಿರ್ವಹಿಸಬೇಕಾದ ಎಲ್ಲಾ ವೆಚ್ಚಗಳನ್ನು ಅಂದಾಜಿಸಿ ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಸಲ್ಲಿಸುವುದು ಕಡ್ಡಾಯವಾಗಿದ್ದು, ಆ ಪ್ರಕಾರ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಸಲ್ಲಿಸಲಾಗಿದೆ. ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಸದರಿ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಪರಿಶೀಲಿಸಿ ನ್ಯಾಯೋಚಿತವಾಗಿ ವಿದ್ಯುತ್ ಜಕಾತಿ ದರಗಳನ್ನು ಪರಿಷ್ಕರಿಸುತ್ತದೆ.</p>



	ಮಧ್ಯಮ ವರ್ಗದ ಜನರು ಸಂಕಷ್ಟಕ್ಕೊಳಗಾಗಿರುತ್ತಾರೆ.	
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
2.	ವಿದ್ಯುತ್ ಪ್ರಸರಣ ಮಾರ್ಗದ ಅಕ್ಕಪಕ್ಕದಲ್ಲಿರುವ ಮರಗಳನ್ನು ಕಡಿತಲೆ ಮಾಡದಿರುವುದರಿಂದ ಬೀಸು ಗಾಳಿಗೆ ಮರಗಳು ಲೈನ್ ಮೇಲೆ ಬಿದ್ದು ಸಮರ್ಪಕ ವಿದ್ಯುತ್ ಪೂರೈಸಲಾಗುತ್ತಿಲ್ಲ.	ಈ ಬಗ್ಗೆ ತಿಳಿಸುವುದೇನಂದರೆ, ವಿದ್ಯುತ್ ಮಾರ್ಗಗಳ ಸಮರ್ಪಕ ನಿರ್ವಹಣೆಗಾಗಿ ಮೆಸ್ಕಾಂ ಅಗತ್ಯ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಳ್ಳುತ್ತಿದೆ. ನೌಕರರ ಕೊರತೆಯ ಹೊರತಾಗಿಯೂ ಮೆಸ್ಕಾಂ ತನ್ನ ಗ್ರಾಹಕರಿಗೆ ಅತ್ಯುತ್ತಮ ಸೇವೆಯನ್ನು ನೀಡಲು ಯತ್ನಿಸುತ್ತಿದೆ ಮತ್ತು ಆ ನಿಟ್ಟಿನಲ್ಲಿ ಯಶಸ್ಸನ್ನೂ ಸಹ ಪಡೆದಿರುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ. ಆಕ್ಷೇಪಣೆದಾರರ ಆಕ್ಷೇಪಣೆಯಂತೆ ವಿದ್ಯುತ್ ಪ್ರಸರಣ ಮಾರ್ಗದ ಅಕ್ಕಪಕ್ಕದಲ್ಲಿರುವ ಮರಗಳನ್ನು ಕಡಿತಲೆ ಮಾಡದಿದ್ದಲ್ಲಿ ಸೂಕ್ತ ಕ್ರಮ ತೆಗೆದುಕೊಳ್ಳುವುದು.		
3.	ಸಂಪನ್ಮೂಲಗಳನ್ನು ಸರಿಯಾಗಿ ಬಳಸಿಕೊಳ್ಳದೇ ದುಬಾರಿ ಬೆಲೆ ಕೊಟ್ಟು ವಿದ್ಯುತ್ ಖರೀದಿ ಮಾಡಿ ಹೆಚ್ಚಿನ ದರವನ್ನು ಗ್ರಾಹಕರಿಗೆ ವರ್ಗಾಯಿಸುವುದು ಸರಿಯಲ್ಲ.	ವಿವಿಧ ಮೂಲಗಳಿಂದ ಖರೀದಿ ಮಾಡಿರುವ ವಿದ್ಯುತ್ ಪರಿಮಾಣ ಮತ್ತು ವೆಚ್ಚಗಳ ಬಗ್ಗೆ ಜಕಾತಿ ಪರಿಷ್ಕರಣಾ ಅರ್ಜಿಯಲ್ಲಿ ಮೆಸ್ಕಾಂ ಪೂರ್ಣ ವಿವರಗಳನ್ನು ನೀಡಿದ್ದು, ಇದನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಪರಿಶೀಲಿಸಿ ಸೂಕ್ತ ಆದೇಶವನ್ನು ನೀಡುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
4.	ವಿದ್ಯುತ್ ದುರ್ಬಳಕೆ, ಸಾಗಾಣಿಕಾ ನಷ್ಟವನ್ನು ಸೂಕ್ತವಾಗಿ ನಿರ್ವಹಿಸದಿಲ್ಲ ದರ ಏರಿಕೆಯ ಅಗತ್ಯವಿರುವುದಿಲ್ಲ.	ವಿದ್ಯುತ್ ದುರ್ಬಳಕೆ, ಸಾಗಾಣಿಕಾ ನಷ್ಟವನ್ನು ನಿರ್ವಹಿಸುವಲ್ಲಿ ಮವಿಸಕಂ ಹಲವಾರು ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿದೆ. ಇದರಿಂದಾಗಿ ಮವಿಸಕಂ ನ ವಿದ್ಯುತ್ ವಿತರಣಾ ನಷ್ಟವು ರಾಜ್ಯದ ಇತರ ಕಂಪೆನಿಗಳಿಗೆ ಹೋಲಿಸಿದಲ್ಲಿ ಅತ್ಯಂತ ಕಡಿಮೆ ಅಂದರೆ 2019-20 ನೇ ವರ್ಷದಲ್ಲಿ ಶೇ.10.07 ಆಗಿರುತ್ತದೆ. ಇದರ ಹೊರತಾಗಿಯೂ ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆ, ಸಾಗಣೆ, ವಿದ್ಯುತ್ ಸರಬರಾಜು ಹಾಗೂ ವಿದ್ಯುತ್ ಜಾಲಗಳ ನಿರ್ವಹಣೆ ಸಂಬಂಧ ಅವಲಂಬಿತ ಅಂಶಗಳಲ್ಲಿನ ದರ ಏರಿಕೆಯಿಂದ ಮ.ವಿ.ಸ.ಕಂ.ನಿಯ ವೆಚ್ಚದಲ್ಲಿ ಆಗುವ ಹೆಚ್ಚಳವನ್ನು ಸರಿದೂಗಿಸಲು ವಿದ್ಯುತ್ ದರಗಳನ್ನು ಹೆಚ್ಚಿಸುವುದು ಅನಿವಾರ್ಯವಾಗಿರುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
5.	ಕಂಪೆನಿಯ ಬಂಡವಾಳ ಹೂಡಿಕೆ ಮಾಡದ್ದರೂ ಸಬ್ಸ್ಟೇಷನ್‌ಗಳ ಕಾಮಗಾರಿಯು ಅಪೂರ್ಣಗೊಂಡು ಈ ನಷ್ಟವು ಗ್ರಾಹಕರಿಗೆ ಹೊರೆಯಾಗುತ್ತಿದೆ.	ಸಬ್ಸ್ಟೇಷನ್‌ಗಳ ನಿರ್ಮಾಣ ಕಾರ್ಯಗಳ ಅನುಷ್ಠಾನದಲ್ಲಿ ಅಗತ್ಯ ಭೂಮಿಯ ಲಭ್ಯತೆ, ವಿದ್ಯುತ್ ಮಾರ್ಗ ನಿರ್ಮಾಣಕ್ಕಾಗಿ ಬೇಕಾಗುವ ROW, ಅರಣ್ಯ ಪ್ರದೇಶದಲ್ಲಿ ವಿದ್ಯುತ್ ಮಾರ್ಗಗಳು ಹಾದು ಹೋಗಲು ಅರಣ್ಯ ಇಲಾಖೆಯ ಅನುಮತಿ ಇತ್ಯಾದಿ ವಿಷಯಗಳ ಅನುಮೋದನೆಗಳು ಸಕಾಲದಲ್ಲಿ ದೊರೆತಲ್ಲಿ ನಿಗದಿತ ವೇಳಾ ಪಟ್ಟಿಯ ಪ್ರಕಾರ ಅವುಗಳನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸಬಹುದಾಗಿದೆ. ಇದಕ್ಕೆ ವ್ಯತಿರಿಕ್ತವಾಗಿ ಉಂಟಾಗುವ ಅಡಚಣೆಗಳು ಸಬ್ಸ್ಟೇಷನ್ ಕಾಮಗಾರಿಗಳ ಮೇಲೆ ಪರಿಣಾಮ ಬೀರಿ ಸಕಾಲದಲ್ಲಿ ಪೂರ್ಣಗೊಳ್ಳಲು ಸಾಧ್ಯವಾಗುವುದಿಲ್ಲ. ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳ ಆದಾಯದ ಮೂಲ, ಗ್ರಾಹಕರು ಬಳಸುವ ವಿದ್ಯುಚ್ಛಕ್ತಿಗೆ ವಿಧಿಸುವ ದರಗಳಲ್ಲದೆ ಬೇರೆ ಮೂಲಗಳಿಲ್ಲವಾದ್ದರಿಂದಲೂ ದರ ಏರಿಕೆ ಅನಿವಾರ್ಯವಾಗಿದೆ ಮತ್ತು ಮೆಸ್ಕಾಂನ ಪ್ರಸ್ತಾವನೆಯಂತೆ ದರ ಏರಿಕೆಯನ್ನು ಪರಿಗಣಿಸುವಂತೆ ಗೌರವಾನ್ವಿತ ಆಯೋಗವನ್ನು ಈ ಮೂಲಕ ಕೋರಿದೆ.

	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
4	MA-16 to 33 and MA-35	
	<p>ಆಕ್ಷೇಪಣೆದಾರರ ಆಕ್ಷೇಪಣೆಗಳು ಇಂತಿವೆ.</p> <ul style="list-style-type: none"> • ದರ ಹೆಚ್ಚಳ ಪ್ರಸ್ತಾಪ ಪ್ರತಿ ವರ್ಷ ನಡೆಯುವ ವಿದ್ಯಮಾನವಾಗಿದೆ. ಎಸ್.ಒ.ಪಿ. ನಿಯಮಗಳು ಪಾಲನೆಯಾಗುತ್ತಿಲ್ಲ. ಅವುಗಳ ಕುರಿತು ತಳಮಟ್ಟದ ಮೆಸ್ಕಾಂ ಸಿಬ್ಬಂದಿಗೆ ತಿಳುವಳಿಕೆ ಕೂಡ ಇಲ್ಲ. • ಮೆಸ್ಕಾಂನ ವೆಚ್ಚದಲ್ಲಿ ಶೇ.70 ರಷ್ಟು ಖರ್ಚಾಗುವುದು ವಿದ್ಯುತ್ ಖರೀದಿಗೆ. ಸೌರವಿದ್ಯುತ್ ಸೋವಿ ದರದಲ್ಲಿ ದೊರೆಯುತ್ತಿರುವಾಗ ಹಾಗೂ ಮೆಸ್ಕಾಂ ವ್ಯಾಪ್ತಿಯಲ್ಲೇ ರಾಜ್ಯದ ಹೆಚ್ಚಿನ ಜಲವಿದ್ಯುತ್ ಉತ್ಪಾದನಾ ಘಟಕಗಳಿರುವಾಗ ಈ ಪಾಟಿ ಇಂಧನ ಖರೀದಿ ವೆಚ್ಚವನ್ನು ಒಪ್ಪಲಾಗದು. • 1912 ಸಹಾಯ ಕೇಂದ್ರವು ಗ್ರಾಹಕರ ನೆರವಿಗೆ ಬರುತ್ತಿಲ್ಲ. ದೂರುಗಳನ್ನು ಸಂಬಂಧಿಸಿದ ಶಾಖೆಗಳಿಗೆ ಮಾತ್ರ ರವಾನಿಸಲಾಗುತ್ತಿದೆ. ಈ ಕೇಂದ್ರದ ಬಗ್ಗೆ ಮೆಸ್ಕಾಂ ಸಿಬ್ಬಂದಿಗೆ ಯಾವುದೇ ಗೌರವವು ಇಲ್ಲ. • ನಿಗದಿತ ದರವನ್ನು ಯಾವ ಅನುಪಾತದಲ್ಲಿ ನಿಗದಿಗೊಳಿಸಬೇಕೆಂದು ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಅಮೂಲಾಗ್ರ ವಿಶ್ಲೇಷಣೆ ಮಾಡಬೇಕು. ಬೇಸಿಗೆಯ ಅವಧಿಯಲ್ಲಿ ಮಲೆನಾಡಿನ ಪ್ರದೇಶದಲ್ಲಿ 24x7x365 ಸಮಯವೂ ನಿರಂತರ ವಿದ್ಯುತ್ ದೊರೆಯದೆ ಇರುವಾಗ ನಿಗದಿತ ದರವನ್ನು ಏರಿಸುವುದು ಸರಿಯಲ್ಲ. • ಗ್ರಾಹಕರ ದೂರುಗಳನ್ನು ಪರಿಹರಿಸಲು ಆಯೋಗದ ನಿರ್ದೇಶನಗಳ ಪ್ರಕಾರ ತ್ರೈಮಾಸಿಕ ಸಭೆಗಳನ್ನು ನಡೆಸುತ್ತಿಲ್ಲ. • ಕೆಇಆರ್‌ಸಿ ಯಲ್ಲಿ ಹಿಂದೆ ಓ.ಸಿ.ಎ. ಹೆಸರಿನ ಗ್ರಾಹಕ ಕೇಂದ್ರ ಇದ್ದಿತ್ತು. ಅದನ್ನು ಪುನಃ ಆರಂಭಿಸುವಂತೆ ಆಯೋಗವನ್ನು ವಿನಂತಿಸುತ್ತೇನೆ. 	<p>ಈ ಆಕ್ಷೇಪಣೆಗಳ ಬಗ್ಗೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ,</p> <p>□ ಕೆ.ಇ.ಆರ್.ಸಿ. ನಿಯಮಗಳ ಪ್ರಕಾರ ಮುಂದಿನ ಆರ್ಥಿಕ ವರ್ಷಕ್ಕೆ ವಿದ್ಯುತ್ ಖರೀದಿ ವೆಚ್ಚವನ್ನೂ ಒಳಗೊಂಡಂತೆ ಮೆಸ್ಕಾಂ ನಿರ್ವಹಿಸಬೇಕಾದ ಎಲ್ಲಾ ವೆಚ್ಚಗಳನ್ನು ಅಂದಾಜಿಸಿ ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಸಲ್ಲಿಸಲಾಗಿರುತ್ತದೆ. ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಸದರಿ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಪರಿಶೀಲಿಸಿ ನ್ಯಾಯೋಚಿತವಾಗಿ ವಿದ್ಯುತ್ ಜಕಾತಿ ದರಗಳನ್ನು ಪರಿಷ್ಕರಿಸುತ್ತದೆ.</p> <p>ಎಸ್.ಒ.ಪಿ. ನಿಯಮಗಳ ಬಗ್ಗೆ ಕ್ಷೇತ್ರ ಮಟ್ಟದ ಎಲ್ಲಾ ಅಧಿಕಾರಿಗಳಿಗೆ ತಿಳಿಸಲಾಗಿರುತ್ತದೆ. ಮೆಸ್ಕಾಂನಲ್ಲಿ ಎಲ್ಲಾ ಉಪವಿಭಾಗ / ಶಾಖಾ ಕಛೇರಿಗಳಲ್ಲಿ ದೂರು ನಿರ್ವಹಣಾ ಮಾನದಂಡ (ಎಸ್.ಒ.ಪಿ.)ಗೆ ಸಂಬಂಧಪಟ್ಟ ವಿವರಗಳನ್ನು ಪ್ರದರ್ಶಿಸಲಾಗಿರುತ್ತದೆ. ಅಲ್ಲದೇ, ಈ ಸಂಬಂಧ ಪುಸ್ತಿಕೆಯನ್ನು ಗ್ರಾಹಕರ ಅವಗಾಹನೆಗಾಗಿ ಉಪವಿಭಾಗ / ಶಾಖಾ ಕಛೇರಿಗಳಲ್ಲಿ ಲಭ್ಯಗೊಳಿಸಿರುತ್ತದೆ.</p> <p>□ ಸೌರ ವಿದ್ಯುತ್ ಮತ್ತು ಜಲ ವಿದ್ಯುತ್ ಮಾತ್ರದಿಂದಲೇ ಗ್ರಾಹಕರ ಬೇಡಿಕೆಯನ್ನು ಪೂರೈಸಲು ಸಾಧ್ಯವಾಗುವುದಿಲ್ಲ. ವಿವಿಧ ಮೂಲಗಳಿಂದ ಖರೀದಿ ಮಾಡಿರುವ ವಿದ್ಯುತ್ ಪರಿಮಾಣ ಮತ್ತು ವೆಚ್ಚಗಳ ಬಗ್ಗೆ ಜಕಾತಿ ಪರಿಷ್ಕರಣಾ ಅರ್ಜಿಯಲ್ಲಿ ಮೆಸ್ಕಾಂ ಪೂರ್ಣ ವಿವರಗಳನ್ನು ನೀಡಿದ್ದು, ಇದನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಪರಿಶೀಲಿಸಿ ಸೂಕ್ತ ಆದೇಶವನ್ನು ನೀಡುತ್ತದೆ.</p> <p>□ 1912 ರ ಕೇಂದ್ರೀಯ ಸಹಾಯ ಕೇಂದ್ರವು ಗ್ರಾಹಕರ ದೂರುಗಳನ್ನು ಸ್ವೀಕರಿಸಿ ಅದನ್ನು ಸಂಬಂಧಿತ ಕ್ಷೇತ್ರಾಧಿಕಾರಿಗಳಿಗೆ ರವಾನಿಸಿ ದೂರು ಪರಿಹರಿಸಲು ಇರುವ ಒಂದು ವ್ಯವಸ್ಥೆಯಾಗಿದೆ. ದೂರುಗಳ ಪರಿಹಾರದ ನಂತರ ಸಂಬಂಧಿತ ದೂರುದಾರರಿಗೆ ತಿಳಿಸುವ ಕಾರ್ಯವನ್ನೂ ಸಹ 1912ರ ಕೇಂದ್ರೀಯ ಸಹಾಯ ಕೇಂದ್ರವು ನಿರ್ವಹಿಸುತ್ತಿದೆ.</p> <p>□ ಮೆಸ್ಕಾಂನ ಒಟ್ಟಾರೆ ವೆಚ್ಚದಲ್ಲಿ ಶೇ.39 ರಷ್ಟು ನಿಗದಿ ವೆಚ್ಚಗಳಿರುತ್ತವೆ. ಈ ಪ್ರಮಾಣದ ನಿಗದಿತ ವೆಚ್ಚದಲ್ಲಿ ಶೇ.30 ರಷ್ಟು ಮಾತ್ರ ನಿಗದಿತ / ಡಿಮಾಂಡ್ ಶುಲ್ಕಗಳ ಮೂಲಕ ವಸೂಲು ಮಾಡಲು ಪ್ರಸ್ತಾವಿಸಲಾಗಿರುತ್ತದೆ. ಉಳಿದಿರುವ ನಿಗದಿತ ವೆಚ್ಚಗಳು ಯೂನಿಟ್ ದರದಲ್ಲಿ ಸೇರಿಕೊಂಡಿರುತ್ತವೆ.</p> <p>□ ಆಕ್ಷೇಪಣೆದಾರರ ಈ ಆಕ್ಷೇಪಣೆಯನ್ನು ಒಪ್ಪಲು ಸಾಧ್ಯವಾಗುವುದಿಲ್ಲ. ಕೋವಿಡ್-19ನ ಸ್ಥಿತಿಯ ಕಾರಣವಾಗಿ ಗ್ರಾಹಕ ಸಂಪರ್ಕ ಸಭೆಗಳನ್ನು ತಾತ್ಕಾಲಿಕವಾಗಿ ನಿರ್ಬಂಧಿಸಿದೆ. ಇದನ್ನು ಹೊರತುಪಡಿಸಿ ಗ್ರಾಹಕ ಸಂಪರ್ಕ ಸಭೆಗಳನ್ನು ಆಯೋಜಿಸಿದಾಗಲೆಲ್ಲ ಎಸ್.ಇ. ಅಥವಾ ಇ.ಇ. ಗಳು ಅಧ್ಯಕ್ಷತೆ ವಹಿಸಿ ಸಭೆಗಳನ್ನು ನಡೆಸಿ ಕೊಟ್ಟಿರುತ್ತಾರೆ. ಇದಕ್ಕೆ ವ್ಯತಿರಿಕ್ತವಾಗ ಯಾವುದೇ ನಿರ್ದಿಷ್ಟ ಪ್ರಕರಣಗಳನ್ನು ಕಾರ್ಪೊರೇಟ್ ಕಛೇರಿಯ ಗಮನಕ್ಕೆ ತಂದಲ್ಲಿ ಸೂಕ್ತ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುವುದು.</p>



		□ ಓ.ಸಿ.ಎ. ಗ್ರಾಹಕ ಕೇಂದ್ರದ ಬಗ್ಗೆ ಮೆಸ್ಕಾಂನ ಪ್ರತಿಕ್ರಿಯೆ ಇರುವುದಿಲ್ಲ.
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ಬಿ.ಸ.ಕಂ. ಯು ನಿಜವಾದ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
5	MA-34	
	1.0 The objector has requested the Commission for third party verification of the MESCOM performance on compliance to directives.	In this regard, it is to be submitted that the Commission is issuing directives to ESCOMs on all the issues affecting consumers and also periodically reviewing the same.
	Commission Views: The Commission is conducting prudence check of capital works which are completed and accounted through third party consultants.	
	2.0 The objector has expressed concern over the dearth of manpower in MESCOM for delivering services to the consumers.	MESCOM is periodically reviewing the necessity of recruitment and action is being taken accordingly. MESCOM has taken action to recruit 667 Junior Power men in 2021-22.
	Commission Views: The reply furnished by MESCOM is acceptable.	
	3.0 The objector has stated that there is necessity of analyzing the electrical accident cases in detail for taking preventive measures to prevent the same.	MESCOM is committed to taking action for prevention of electrical accidents by identifying the hazardous locations and rectifying the same on time.
	Commission Views: The reply furnished by MESCOM is acceptable.	
	4.0 Responsiveness of consumers to Janasamparka Sabhas is poor. The objector states that awareness building programs may be conducted to make the consumers aware about the legal recourse available to them.	In the previous year due to Covid-19 regulations MESCOM could not conduct Consumer Interaction Meetings. But the field officers are very much open to public for receiving complaints through the available social medias, telephones / mobiles, etc.
	Commission Views: The reply furnished by MESCOM is not satisfactory. MESCOM shall create awareness among the consumers regarding legal recourse available to them.	
	5.0 The Commission has stopped the office of consumer advocacy cell (OCA) working under it. Appeals the commission to start the functioning of OCA.	The Commission may take a view on the above.
	Commission Views: The Commission takes note of the objection raised by the Objector.	
6	MA-36 and MB-07 to MB-16	
	1. ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಕಳೆದ ವರ್ಷ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪೆನಿಗಳಿಗೆ ನಷ್ಟಕ್ಕೆ ಅವಕಾಶವಿಲ್ಲದಂತೆ ದರ ಆದೇಶ ನೀಡಿರುತ್ತದೆ ಮತ್ತು ಅದರಿಂದಾಗಿ ಕಂಪೆನಿಯು ಲಾಭದಲ್ಲಿದ್ದು ಕಂಪೆನಿ	ಕೆ.ಇ.ಆರ್.ಸಿ. ನಿಯಮಗಳ ಪ್ರಕಾರ ಮುಂದಿನ ಆರ್ಥಿಕ ವರ್ಷಕ್ಕೆ ವಿದ್ಯುತ್ ಖರೀದಿ ವೆಚ್ಚವನ್ನೂ ಒಳಗೊಂಡಂತೆ ಮೆಸ್ಕಾಂ ನಿರ್ವಹಿಸಬೇಕಾದ ಎಲ್ಲಾ ವೆಚ್ಚಗಳನ್ನು ಅಂದಾಜಿಸಿ ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಸಲ್ಲಿಸಲಾಗಿರುತ್ತದೆ. ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಸದರಿ

	ಆಡಿಟ್ ವರದಿಯಿಂದ ತಿಳಿದು ಬರುತ್ತದೆ. ಆದ್ದರಿಂದ ದರ ಏರಿಕೆ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಆಕ್ಷೇಪಿಸುತ್ತೇನೆ.	ಪ್ರಸ್ತಾವನೆಯನ್ನು ಪರಿಶೀಲಿಸಿ ನ್ಯಾಯೋಚಿತವಾಗಿ ವಿದ್ಯುತ್ ಜಕಾತಿ ದರಗಳನ್ನು ಪರಿಷ್ಕರಿಸುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
2.	ರಾಜ್ಯ ಸರ್ಕಾರದಿಂದ ಮೆಸ್ಕಾಂಗೆ ಬರಬೇಕಾಗಿರುವ ಸಬ್ಸಿಡಿ ಮೊತ್ತವು ಸುಮಾರು ಸಾವಿರಾರು ಕೋಟಿಯಷ್ಟಿದ್ದು, ಅದನ್ನು ಸರಿದೂಗಿಸಲು ಸಾಲ ಪಡೆದು ಆ ಸಾಲದ ಮೇಲಿನ ಬಡ್ಡಿಯನ್ನು ಗ್ರಾಹಕರಿಗೆ ವರ್ಗಾಯಿಸಲಾಗುತ್ತಿದೆ. ಆದ್ದರಿಂದ ಕಂಪೆನಿಗೆ ಬರಬೇಕಾಗಿರುವ ಸಬ್ಸಿಡಿ ಹಣ ಬಂದಲ್ಲಿ ದರ ಏರಿಕೆಯ ಅವಶ್ಯಕತೆ ಇರುವುದಿಲ್ಲ.	ರಾಜ್ಯ ಸರ್ಕಾರವು ನಿಯತಕಾಲಿಕವಾಗಿ ಕಂಪೆನಿಗೆ ಬರಬೇಕಾಗಿರುವ ಸಬ್ಸಿಡಿಯನ್ನು ಬಿಡುಗಡೆಮಾಡುತ್ತಿದ್ದು, ಹಿಂದಿನ ಅವಧಿಗೆ ಸಂಬಂಧಿಸಿ ಸಬ್ಸಿಡಿಯನ್ನೂ ಸಹ ಬಿಡುಗಡೆಗೊಳಿಸುವಂತೆ ಸರ್ಕಾರವನ್ನು ನಿರಂತರವಾಗಿ ಕೋರಲಾಗುತ್ತಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
3.	ಮುಂದಿನ ವರ್ಷಗಳಿಗೆ ಖರ್ಚನ್ನು ಹೆಚ್ಚಾಗಿ ಅಂದಾಜಿಸಿ ವಿದ್ಯುತ್ ದರ ಏರಿಕೆಗೆ ಸಲ್ಲಿಸಿರುವ ಪ್ರಸ್ತಾವನೆಗೆ ಆಕ್ಷೇಪವಿದೆ.	ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಮವಿಸಕಂ ಸಲ್ಲಿಸಿರುವ ಅರ್ಜಿಯಲ್ಲಿ ವೆಚ್ಚಗಳನ್ನು ಅಂದಾಜಿಸಿರುವ ರೀತಿಯನ್ನು ಸ್ಪಷ್ಟವಾಗಿ ವಿವರಿಸಿದ್ದು ಆ ಪ್ರಕಾರ ಕಂದಾಯ ಕೊರತೆಯನ್ನು ಲೆಕ್ಕ ಹಾಕಲಾಗಿದೆ. ಈ ವೆಚ್ಚಗಳನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ವಿಮರ್ಶಿಸಿ ಆದೇಶ ನೀಡುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
4.	ವಿದ್ಯುತ್ ಖರೀದಿ ದರಗಳನ್ನು ಆಯೋಗವು ನಿಗದಿಪಡಿಸಿರುವುದಕ್ಕಿಂತಲೂ ಹೆಚ್ಚು ಪಾವತಿಸಿದೆ.	ಇದಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ, ವಿದ್ಯುತ್ ಖರೀದಿ ದರಗಳನ್ನು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪೆನಿಗಳು ಮತ್ತು ವಿದ್ಯುತ್ ಉತ್ಪಾದನಾ ಕಂಪೆನಿಗಳ ನಡುವಿನ ವಿದ್ಯುತ್ ಖರೀದಿ ಒಪ್ಪಂದಗಳಲ್ಲಿನ ನಿಬಂಧನೆಗಳಂತೆ ಪಾವತಿಸಲಾಗುತ್ತಿದೆ. ಇದಕ್ಕೆ ಸಂಬಂಧಪಟ್ಟ ಎಲ್ಲಾ ವಿವರಗಳನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಸಲ್ಲಿಸಲಾಗಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
5.	ಬೀದಿ ದೀಪ ಸ್ಥಾವರಗಳಿಗೆ ಟೈಮರ್ ಸ್ವಿಚ್ ಅಳವಡಿಸುವ ಬಗ್ಗೆ ಆಯೋಗ ನೀಡಿರುವ ನಿರ್ದೇಶನವನ್ನು ಮೆಸ್ಕಾಂ ಇನ್ನೂ ಪಾಲನೆ ಮಾಡಿಲ್ಲ.	ಬೀದಿ ದೀಪಗಳ ಸ್ಥಾಪನೆ ಮತ್ತು ನಿರ್ವಹಣೆಯು ಸಂಪೂರ್ಣವಾಗಿ ಸ್ಥಳೀಯ ಸಂಸ್ಥೆಗಳ ಆಡಳಿತಕ್ಕೆ ಸಂಬಂಧಪಟ್ಟ ವಿಷಯವಾಗಿದ್ದು, ಇದನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಮನದಟ್ಟು ಮಾಡಿಕೊಡಲಾಗಿದೆ. ಆದ್ದರಿಂದ, ಆಯೋಗವು ಸಂಬಂಧಪಟ್ಟ ಸ್ಥಳೀಯ ಸಂಸ್ಥೆಯ ಆಡಳಿತಾಧಿಕಾರಿಗಳಿಗೆ ಈ ಬಗ್ಗೆ ಕೋರಿಕೆ ಸಲ್ಲಿಸುವಂತೆ ನಿರ್ದೇಶಿಸಿರುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
6.	ಎಲ್ಲಾ ಡಿಸ್ಟ್ರಿಬ್ಯೂಷನ್ ಟ್ರಾನ್ಸ್‌ಫಾರ್ಮರ್‌ಗಳಿಗೆ ಮೀಟರ್ ಅಳವಡಿಸಿಲ್ಲ ಮತ್ತು ಗ್ರಾಮೀಣ ಪ್ರದೇಶದಲ್ಲಿ ಅಳವಡಿಸಿರುವ ಮೀಟರ್‌ಗಳನ್ನು ಓದುವ ಕೆಲಸವಾಗಿಲ್ಲ.	ಗ್ರಾಮೀಣ ಪ್ರದೇಶದಲ್ಲಿ ಅಳವಡಿಸಿರುವ ಡಿಸ್ಟ್ರಿಬ್ಯೂಷನ್ ಟ್ರಾನ್ಸ್‌ಫಾರ್ಮರ್ ಮೀಟರ್‌ಗಳನ್ನು ಓದಲಾಗುತ್ತಿಲ್ಲವೆಂದು ಆಕ್ಷೇಪಿಸುವುದು ಸರಿಯಲ್ಲ. ಏಕೆಂದರೆ ಕೆಲವು ಮೀಟರ್‌ಗಳು ಮೊಬೈಲ್ ನೆಟ್ವರ್ಕ್ ಅಲಭ್ಯತೆಯಿಂದ ಓದಲು ಸಾಧ್ಯವಾಗಿಲ್ಲ. ಅಂತಹವುಗಳನ್ನು ಮ್ಯಾನುಯಲ್ ರೀಡಿಂಗ್ ಮಾಡಿ ಎನರ್ಜಿ ಆಡಿಟ್ ಮಾಡಲಾಗುತ್ತಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವು ಸಮಂಜಸವಾಗಿಲ್ಲ. ಎಲ್ಲಾ ಡಿಸ್ಟ್ರಿಬ್ಯೂಷನ್ ಟ್ರಾನ್ಸ್‌ಫಾರ್ಮರ್‌ಗಳಿಗೆ ಮೀಟರ್ ಅಳವಡಿಸಿಲ್ಲ, ವೆಂದಾದರೆ, ಅವುಗಳಿಗೆ ಮ್ಯಾನುಯಲ್ ರೀಡಿಂಗ್ ಮಾಡಿ ಎನರ್ಜಿ ಆಡಿಟ್ ಮಾಡಲಾಗುತ್ತಿದೆ ಎಂಬುದರಲ್ಲಿ ಅರ್ಥವಿಲ್ಲ. ಎಲ್ಲಾ ಡಿಸ್ಟ್ರಿಬ್ಯೂಷನ್ ಟ್ರಾನ್ಸ್‌ಫಾರ್ಮರ್‌ಗಳಿಗೆ ಮೀಟರ್ ಅಳವಡಿಸಿ ಎನರ್ಜಿ ಆಡಿಟ್ ಮಾಡಿ ಬಿಡಲಾಗುತ್ತದೆ.		

	7. ಶೇ.50.66% ರಷ್ಟು ಡಿ ಗ್ರೂಪ್ ನೌಕರರ ಕೊರತೆಯಿದ್ದು, ಗುಣಮಟ್ಟದ ಸೇವೆ ನೀಡಲು ಹೇಗೆ ಸಾಧ್ಯ ಎಂಬ ಸ್ಪಷ್ಟತೆಯನ್ನು ನೀಡಬೇಕು.	ನೌಕರರ ಕೊರತೆಯನ್ನು ನೀಗಿಸಲು ಕಾಲಕಾಲಕ್ಕೆ ನೇಮಕಾತಿಯನ್ನು ಮಾಡಲಾಗುತ್ತದೆ. ಅಲ್ಲದೇ, ನೌಕರರ ಕೊರತೆಯ ಹೊರತಾಗಿಯೂ ಮೆಸ್ಕಾಂ ತನ್ನ ಗ್ರಾಹಕರಿಗೆ ಅತ್ಯುತ್ತಮ ಸೇವೆಯನ್ನು ನೀಡಲು ಯತ್ನಿಸುತ್ತಿದೆ ಮತ್ತು ಆ ನಿಟ್ಟಿನಲ್ಲಿ ಯಶಸ್ಸನ್ನೂ ಸಹ ಪಡೆದಿರುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
	8. ಭದ್ರಾವತಿಯ ಎಂ.ಪಿ.ಎಂ. ಕಾರ್ಖಾನೆಯಿಂದ ರೂ.178 ಕೋಟಿ ಬಾಕಿಯಿದ್ದು ಅದರಿಂದ ಮೆಸ್ಕಾಂಗೆ ದೊಡ್ಡ ನಷ್ಟವಾಗಿದೆ, ಅದರ ವಸೂಲಾತಿಗೆ ತೆಗೆದುಕೊಂಡ ಕ್ರಮವನ್ನು ತಿಳಿಸಬೇಕಾಗಿ ಆಕ್ಷೇಪಣೆದಾರರು ತಿಳಿಸಿರುತ್ತಾರೆ.	ಈ ಬಗ್ಗೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ, ಭದ್ರಾವತಿಯ ಎಂ.ಪಿ.ಎಂ. ಕಾರ್ಖಾನೆಯಿಂದ ಬರಬೇಕಾಗಿರುವ ಬಾಕಿ ವಸೂಲಾತಿಗಾಗಿ ಮವಿಸಕಂ ಸರ್ಕಾರದೊಡನೆ ನಿರಂತರವಾಗಿ ಸಂವಹಿಸುತ್ತಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
	9. ಕೃಷಿ ಪಂಪುಗಳ ಮೀಟರ್ ರೀಡಿಂಗ್ ಮಾಡಿ, ನೈಜ ಬಳಕೆಯ ಆಧಾರದಲ್ಲಿ ಸಹಾಯಧನ ಪಡೆಯದೆ, ಅಂದಾಜಿನ ಲೆಕ್ಕಾಚಾರದಲ್ಲಿ ಪಡೆಯುತ್ತಿರುವುದು ಆಕ್ಷೇಪಣೀಯ.	ಐ.ಪಿ. ಸ್ವಾವರಗಳ ವಿದ್ಯುತ್ ಬಳಕೆಯನ್ನು ಪ್ರತಿ ಶಾಖೆಯಲ್ಲಿ ಅತಿ ಹೆಚ್ಚು ಪಂಪುಸೆಟ್ಟು ಸಂಪರ್ಕ ಹೊಂದಿರುವ ವಿದ್ಯುತ್ ಪರಿವರ್ತಕಗಳಿಗೆ ಅಳವಡಿಸಿರುವ ಮಾಪಕಗಳಲ್ಲಿ ದಾಖಲಾಗುವ ವಿದ್ಯುತ್ ಪ್ರಮಾಣವನ್ನನುಸರಿಸಿ ಆಯಾ ಶಾಖೆಯ ಐ.ಪಿ. ಸೆಟ್ಟುಗಳ ವಿದ್ಯುತ್ ಬಳಕೆಯನ್ನು ಲಿಂಗನಾಣಿಸಲಾಗುತ್ತಿದೆ. ಐ.ಪಿ. ಸೆಟ್ಟುಗಳಿಗೆ ಅಳವಡಿಸಿರುವ ಮಾಪಕಗಳು ತುಂಬಾ ಹಳೆಯದಾಗಿದ್ದು ಮತ್ತು ಅನಧಿಕೃತ ಕೃಷಿ ಪಂಪುಸೆಟ್‌ಗಳಿಂದಾಗಿ ಬಳಕೆ ನಿಖರವಾಗಿರುವುದಿಲ್ಲ. ಈ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಪರಿವರ್ತಕಗಳಿಗೆ ಅಳವಡಿಸಿರುವ ಮಾಪಕಗಳಲ್ಲಾಗುವ ದಾಖಲಾತಿಯು ಹೆಚ್ಚು ಸಮರ್ಪಕವಾಗಿರುತ್ತದೆ. ಮ.ವಿ.ಸ.ಕಂ.ನ ಕೆಲವು ಪ್ರದೇಶಗಳಲ್ಲಿ ಐ.ಪಿ. ಸೆಟ್ಟು ಸ್ವಾವರಗಳಿಗೆ ಅಳವಡಿಸಿದ್ದು ಮಾಪಕಗಳನ್ನು ಗ್ರಾಹಕರು ಅನಧಿಕೃತವಾಗಿ ತೆಗೆದು ಹಾಕಲಾಗಿರುವುದು ವರದಿಯಾಗಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
	10. ಗ್ರಾಹಕರ ಮೀಟರ್ ಬೋರ್ಡ್‌ವರೆಗಿನ ಎಲ್ಲಾ ವ್ಯವಸ್ಥೆಗಳು ಕಂಪೆನಿಗೆ ಸೇರಿದ್ದು, ಹೀಗಿರುವಾಗ ಸರ್ವಿಸ್ ವಯರ್ ತುಂಡಾದರೆ ಅದನ್ನು ಗ್ರಾಹಕರೇ ಹಾಕಿಕೊಳ್ಳುವಂತೆ ಮೆಸ್ಕಾಂ ಅಧಿಕಾರಿಗಳು ತಿಳಿಸುತ್ತಿದ್ದಾರೆ.	ಆಕ್ಷೇಪಣೆದಾರರು ತಿಳಿಸಿರುವಂತೆ ಗ್ರಾಹಕರ ಮೀಟರ್ ಬೋರ್ಡ್‌ವರೆಗಿನ ಎಲ್ಲಾ ವ್ಯವಸ್ಥೆಗಳು ಕಂಪೆನಿಗೆ ಸೇರಿದ್ದಾಗಿದ್ದು, ಸರ್ವಿಸ್ ವಯರ್ ತುಂಡಾದರೆ ಅವುಗಳ ಕಾರ್ಯಕ್ಷಮತೆ, ಸುರಕ್ಷತೆ, ಇನ್ನಿತರ ಅಂಶಗಳನ್ನು ಪರಿಗಣಿಸಿ ಎಲ್ಲಿ ಅಗತ್ಯತೆ ಇರುವುದೋ ಅಂತಹ ಸ್ವಾವರಗಳ ಸರ್ವಿಸ್ ವಯರ್‌ಗಳನ್ನು ಬದಲಾಯಿಸಲು ಮೆಸ್ಕಾಂ ಕ್ರಮ ಕೈಗೊಳ್ಳುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
	11. ಮೆಸ್ಕಾಂ ವ್ಯಾಪ್ತಿಯಲ್ಲಿ 150 ಗ್ರಾಮೀಣ ಫೀಡರ್‌ಗಳನ್ನು ಕೃಷಿ ಪಂಪುಗಳಿಗೆ ಪ್ರತ್ಯೇಕ ಫೀಡರ್ ಮಾಡಿ, ಉಳಿದ ಗ್ರಾಹಕರಿಗೆ ನಿರಂತರ ವಿದ್ಯುತ್ ವ್ಯವಸ್ಥೆಗೆ ಅವಕಾಶ ಮಾಡಿ ಕೊಟ್ಟಿದೆ. ಆದರೂ ಕೃಷಿ ಪಂಪುಸೆಟ್ಟು ಮಾರ್ಗದಲ್ಲಿ ಬರುವ ವಾಣಿಜ್ಯ ಹಾಗೂ ಗೃಹಬಳಕೆಯ ಅನೇಕ ಗ್ರಾಹಕರಿಗೆ ಪ್ರತ್ಯೇಕ ಲೈನ್‌ನಲ್ಲಿ ಸಂಪರ್ಕ ನೀಡಲಾಗಿಲ್ಲ.	ಮೆಸ್ಕಾಂ ವ್ಯಾಪ್ತಿಯಲ್ಲಿ ಒಟ್ಟು 124 ಗ್ರಾಮೀಣ ಫೀಡರ್‌ಗಳ ಪ್ರತ್ಯೇಕೀಕರಣಕ್ಕೆ ಕ್ರಮಗೊಳ್ಳಲಾಗಿದ್ದು ಅವುಗಳಲ್ಲಿ ಈವರೆಗೆ 105 ಫೀಡರ್‌ಗಳ ಕಾರ್ಯಗಳು ಮುಗಿದಿರುತ್ತವೆ. ಆಕ್ಷೇಪಣೆದಾರರು ತಿಳಿಸಿರುವಂತೆ ಕೆಲವೊಂದು ಗೃಹಬಳಕೆಯ ಸ್ವಾವರಗಳನ್ನು ನಿರಂತರ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಲೈನ್ ಅಳವಡಿಸುವುದು ಬಿಟ್ಟು ಹೋಗಿರಬಹುದು. ಅಂತಹ ಸ್ವಾವರಗಳನ್ನು ಗುರುತಿಸಲಾಗುವುದು. ಆಕ್ಷೇಪಣೆದಾರರ ಗಮನಕ್ಕೆ ಬಂದಿರುವ ಇಂತಹ ಸ್ವಾವರಗಳ ವಿವರಗಳನ್ನು ಸಂಬಂಧಪಟ್ಟ ಕಾರ್ಯ ಮತ್ತು ಪಾಲನಾ ವಿಭಾಗದ

		ಕಾರ್ಯನಿರ್ವಾಹಕ ಇಂಜಿನಿಯರ್ (ವಿ.) ರವರುಗಳ ಗಮನಕ್ಕೆ ತಂದಲ್ಲಿ ಆ ಬಗ್ಗೆ ಅಗತ್ಯ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುವುದು.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
12. ಮೆಸ್ಕಾಂ ವ್ಯಾಪ್ತಿಯ ಎಲ್ಲಾ ಉಪ ವಿಭಾಗಗಳಲ್ಲಿ ದೂರು ನಿರ್ವಹಣಾ ಮಾನದಂಡ (ಎಸ್.ಒ.ಪಿ.) ಯನ್ನು ಪ್ರದರ್ಶಿಸಿಲ್ಲ.		ಆಕ್ಷೇಪಣೆದಾರರ ಈ ಆಕ್ಷೇಪಣೆಯು ಸಮಂಜಸವಾಗಿಲ್ಲ. ಮೆಸ್ಕಾಂನಲ್ಲಿ ಎಲ್ಲಾ ಉಪವಿಭಾಗ / ಶಾಖಾ ಕಛೇರಿಗಳಲ್ಲಿ ದೂರು ನಿರ್ವಹಣಾ ಮಾನದಂಡ (ಎಸ್.ಒ.ಪಿ.)ಗೆ ಸಂಬಂಧಪಟ್ಟ ವಿವರಗಳನ್ನು ಪ್ರದರ್ಶಿಸಲಾಗಿರುತ್ತದೆ. ಅಲ್ಲದೇ, ಈ ಸಂಬಂಧ ಪುಸ್ತಿಕೆಯನ್ನು ಗ್ರಾಹಕರ ಅವಗಾಹನೆಗಾಗಿ ಉಪವಿಭಾಗ / ಶಾಖಾ ಕಛೇರಿಗಳಲ್ಲಿ ಲಭ್ಯಗೊಳಿಸಿರುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
13. ಉಪವಿಭಾಗಗಳಲ್ಲಿ ಕರೆಯುವ ಯಾವುದೇ ಗ್ರಾಹಕರ ಸಭೆಗಳಲ್ಲಿ ಎಸ್.ಇ. ಅಥವಾ ಇ.ಇ. ಭಾಗವಹಿಸುವುದು ಕಡ್ಡಾಯವಾಗಿದ್ದರೂ ಯಾರೂ ಭಾಗವಹಿಸುತ್ತಿಲ್ಲ.		ಆಕ್ಷೇಪಣೆದಾರರ ಈ ಆಕ್ಷೇಪಣೆಯನ್ನು ಒಪ್ಪಲು ಸಾಧ್ಯವಾಗುವುದಿಲ್ಲ. ಕೋವಿಡ್-19ನ ಸ್ಥಿತಿಯ ಕಾರಣವಾಗಿ ಗ್ರಾಹಕ ಸಂಪರ್ಕ ಸಭೆಗಳನ್ನು ತಾತ್ಕಾಲಿಕವಾಗಿ ನಿರ್ಬಂಧಿಸಿದೆ. ಇದನ್ನು ಹೊರತುಪಡಿಸಿ ಗ್ರಾಹಕ ಸಂಪರ್ಕ ಸಭೆಗಳನ್ನು ಆಯೋಜಿಸಿದಾಗಲೆಲ್ಲ ಎಸ್.ಇ. ಅಥವಾ ಇ.ಇ. ಗಳು ಅಧ್ಯಕ್ಷತೆ ವಹಿಸಿ ಸಭೆಗಳನ್ನು ನಡೆಸಿ ಕೊಟ್ಟಿರುತ್ತಾರೆ. ಇದಕ್ಕೆ ವ್ಯತಿರಿಕ್ತವಾಗಿ ಯಾವುದೇ ನಿರ್ದಿಷ್ಟ ಪ್ರಕರಣಗಳನ್ನು ಕಾರ್ಪೊರೇಟ್ ಕಛೇರಿಯ ಗಮನಕ್ಕೆ ತಂದಲ್ಲಿ ಸೂಕ್ತ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುವುದು.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
14. ಎಲ್.ಟಿ. ಮಾರ್ಗಗಳ ಸಮರ್ಪಕ ನಿರ್ವಹಣೆ ಮಾಡದೆ ಇರುವುದರಿಂದ ಎಲ್.ಟಿ. ನಷ್ಟವು ಹೆಚ್ಚಾಗಿದೆ.		ವಿದ್ಯುತ್ ಲೈನ್ ದುರಸ್ತಿ ಹಾಗೂ ದೂರು ನಿರ್ವಹಣೆಗೆ ಪ್ರಸ್ತುತ ವ್ಯವಸ್ಥೆಯಲ್ಲೇ ಅಗತ್ಯ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುತ್ತಿದೆ. ಮಳೆಗಾಲದಲ್ಲಿನ ವಿಶೇಷ ಪರಿಸ್ಥಿತಿಯನ್ನು ನಿಭಾಯಿಸಲು ಅಂದರೆ ವಿದ್ಯುತ್ ಲೈನ್ಗಳ ದುರಸ್ತಿ ಹಾಗೂ ದೂರು ನಿರ್ವಹಣೆಗೆ ಪಡೆಗಳನ್ನು ರಚಿಸಿ ಅವುಗಳ ಮೇಲುಸ್ವಾವಾರಿಯನ್ನು ಸಮಂಜಸವಾಗಿ ನಿರ್ವಹಿಸಲಾಗುತ್ತಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
15. ಕೃಷಿ ಮತ್ತು ಹೈನುಗಾರಿಕೆ ಯಾಂತ್ರೀಕರಣಗೊಳ್ಳುತ್ತಿದ್ದು, ಅದಕ್ಕೆ ಬಳಸುವ ವಿದ್ಯುತ್ ಮೆಸ್ಕಾಂ ವಿಧಿಸುವ ದರದಲ್ಲಿ ಗೊಂದಲ ಮೂಡಿಸುತ್ತಿದೆ.		ಆಯೋಗವು ಆದೇಶಿಸಿರುವ ವರ್ಗೀಕರಣಗಳನ್ವಯ ಗ್ರಾಹಕರುಗಳನ್ನು ವರ್ಗೀಕರಿಸಲಾಗಿದ್ದು ಆ ಪ್ರಕಾರ ಬಿಲ್ಲು ಮಾಡಲಾಗುತ್ತಿದೆ. ಹೈನುಗಾರಿಕೆಗೆ ಯಾವ ರೀತಿಯ ಎಷ್ಟು ಸಾಮರ್ಥ್ಯದ ಯಂತ್ರಗಳನ್ನು ಬಳಸಲಾಗುತ್ತಿದೆಯೆಂಬುದರ ಮೇಲೆ ವರ್ಗೀಕರಣವನ್ನು ನಿರ್ಧರಿಸಲಾಗುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
16. ಮೆಸ್ಕಾಂ ತನ್ನ ಕಾರ್ಯ ಚಟುವಟಿಯಲ್ಲಿ ಸಾಕಷ್ಟು ಅಭಿವೃದ್ಧಿಯನ್ನು ಸಾಧಿಸಿ, ಲಾಭದಲ್ಲಿದ್ದರೂ ಸಹ ಮುಂದಿನ ವರ್ಷಗಳಿಗೆ ಪುನಃ ನಷ್ಟ ತೋರಿಸುವುದು ಆಕ್ಷೇಪಣೀಯ		ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆ, ಸಾಗಣೆ, ವಿದ್ಯುತ್ ಸರಬರಾಜು ಹಾಗೂ ವಿದ್ಯುತ್ ಜಾಲಗಳ ನಿರ್ವಹಣೆ ಸಂಬಂಧ ಅವಲಂಬಿತ ಅಂಶಗಳಲ್ಲಿನ ದರ ಏರಿಕೆಯಿಂದ ಮ.ವಿ.ಸ.ಕಂ.ನಿಯ ವೆಚ್ಚದಲ್ಲಿ ಆಗುವ ಹೆಚ್ಚಳವನ್ನು ಸರಿದೂಗಿಸಲು ವಿದ್ಯುತ್ ದರಗಳನ್ನು ಹೆಚ್ಚಿಸುವುದು ಅನಿವಾರ್ಯವಾಗಿರುತ್ತದೆ. ಹೆಚ್ಚಿನ ವಿದ್ಯುತ್ ಉಪಯೋಗ ಮತ್ತು ಹಣದುಬ್ಬರದ ಪರಿಣಾಮವು ಇತರೆ ಸಂಸ್ಥೆಗಳಿಗೆ ಬಾಧಿಸುವ ರೀತಿಯಲ್ಲಿಯೇ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳಿಗೂ ಬಾಧಿಸುತ್ತಿದ್ದು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳ ಆದಾಯದ ಮೂಲ, ಗ್ರಾಹಕರು ಬಳಸುವ ವಿದ್ಯುಚ್ಛಕ್ತಿಗೆ ವಿಧಿಸುವ ದರಗಳಲ್ಲದೆ ಬೇರೆ ಮೂಲಗಳಿಲ್ಲವಾದ್ದರಿಂದಲೂ ದರ ಏರಿಕೆ ಅನಿವಾರ್ಯವಾಗಿದೆ ಮತ್ತು ಮೆಸ್ಕಾಂನ ಪ್ರಸ್ತಾವನೆಯಂತೆ

		ದರ ಏರಿಕೆಯನ್ನು ಪರಿಗಣಿಸುವಂತೆ ಗೌರವಾನ್ವಿತ ಆಯೋಗವನ್ನು ಈ ಮೂಲಕ ಕೋರಿದೆ.
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
7	MA-37	
	(i) The objector has detailed the profile of Karnataka Planters Association, Financial Crisis of the plantation industry, climatic variations being faced by the plantation crops and their effect on production etc.	MESCOM considers the above details of the objector, as matters for record.
	Commission Views: The Commission notes the reply provided by MESCOM	
	(ii) The objector has compared the actual financial position of MESCOM for the 2019-20 with that of the ARR approved by the Commission. Similarly compared the revised projections of MESCOM for 2021-22 with the approved figures in Tariff Order 2019.	MESCOM has submitted its proposal for approval of APR for FY20 and ARR/ERC for FY22 in the framework of the relevant Regulations notified by the Commission. In the proposal, MESCOM has detailed all the parameters which have been considered by MESCOM to propose increase in tariff.
	Commission Views: The reply furnished by by MESCOM is acceptable.	
	(iii) Proposal of MESCOM for upward revision of electricity tariff will add to the burden of the planters. The Commission may consider the paying capacity of various categories while determining the tariff.	The Commission is determining the retail supply tariff on the basis of average cost of supply and had discussed the rationale for that also in the tariff orders. Further, it is to be submitted that as the cost of supply is increasing due to increase in power purchase cost, transmission cost, O&M expenses, etc., and hence an upward revision of power tariff is inevitable to sustain the business of MESCOM.
	Commission Views: The Commission notes the reply provided by MESCOM. The Commission has to act in accordance with KERC(Terms and Conditions for determination of Tariff for Distribution and retails sale of electricity) Regulations,2006 and its amendments from time to time.	
	(iv) The objector has stated that MESCOM has to pay delayed payment charges to generators which should not be passed on to the consumers.	In the proposal for 2021-22, MESCOM has not included any delayed payment charges to be passed on to the consumers.
	Commission Views: The Commission notes the reply provided by MESCOM	
	(v) The objector has stated that , if the arrears receivable from other consumers, ESCOMs and statutory institutions are recovered then there will be no necessity of tariff hike.	MESCOM is following the concept of accounting on accrual basis and hence, the pending receivables have hardly impact the tariff. However, it is to be stated that MESCOM is consistently pursuing with the concerned authorities for recovery of the receivables.
	Commission Views: The reply furnished by by MESCOM is acceptable.	

	(vi) The objector has insisted to ensure uninterrupted power supply for pulping of Coffee between 3 PM to 8 PM. Requested to provide uninterrupted power during February and March.	MESCOM is trying as far as possible to maintain uninterrupted power supply with pre-scheduling as per the prevailing policy.
	Commission Views: The Commission notes the reply provided by MESCOM	
	(vii) The objector has stated that GOK has exempted electricity tax for captive generation upto 500 kVA and requested to extend the tax exemption benefits for the captive generation capacity beyond 500 kVA also.	In this regard, it is to be submitted that MESCOM will abide the orders of GOK with regard to levying of electricity tax.
	Commission Views: The Commission notes the reply provided by MESCOM. The levy of tax is vested with the Government of Karnataka and the objectors may approach the GoK for any reduction/ concession in tax.	
	(viii) Intimation of power cuts, messages, etc., by WhatsApp, email, etc. to be transmitted.	MESCOM is notifying the scheduled outages on the website one week in advance. The consumers who are registered on URJA MITRA application are able to get the messages regarding scheduled and unscheduled outages, reason for the outages, approximate time required for restoring the power supply, etc. MESCOM is launching MobileApp for the convenience of consumers to access the power outage details in their area periodically.
	Commission Views: The reply furnished by MESCOM is acceptable.	
8	MA-38	
	8. ಮೆಸ್ಕಾಂ ಪ್ರತಿ ವರ್ಷ ಬಂಡವಾಳ ಹೂಡಿಕೆಯ ಕಾರಣಕ್ಕೆ ವಿತರಣಾ ನಷ್ಟದಲ್ಲಿ ಗಣನೀಯವಾಗಿ ಇಳಿಕೆ ಮಾಡಿರುತ್ತದೆ. ಇದರಿಂದ ಕಂಪೆನಿಗ ಲಾಭವಾಗಿ ಹೆಚ್ಚುವರಿ ಆದಾಯ ಬರಬೇಕೆ ಹೊರತು ನಷ್ಟವಲ್ಲ. ವಿತರಣಾ ನಷ್ಟ ಇಳಿಕೆಯಾಗುವುದರಿಂದ ಲಾಭವಾಗುತ್ತಿಲ್ಲ ಎಂದಾದರೆ ಬಂಡವಾಳ ಹೂಡಿಕೆಯ ಪ್ರಯೋಜನವೇನು.	ಇದಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ, ಕಂಪೆನಿಗೆ ಆಗುವ ಲಾಭ ಅಥವಾ ನಷ್ಟವು ವಿತರಣಾ ನಷ್ಟ ಇಳಿಕೆಯಾಗುವ ಅಥವಾ ಹೆಚ್ಚಾಗುವುದರಿಂದ ಮಾತ್ರ ಸಾಧ್ಯವೆಂದು ಸಮಂಜಸವಲ್ಲ. ಇದಕ್ಕೆ ಪೂರಕವಾಗಿ ಅನೇಕ ಕಾರಣಗಳು ಕಂಪೆನಿ ನ ಲಾಭ / ನಷ್ಟಕ್ಕೆ ಕಾರಣವಾಗಿರುತ್ತವೆ ಮತ್ತು ಇದನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಸಲ್ಲಿಸಿದ ಅರ್ಜಿಯನ್ನು ಅವಲೋಕಿಸಿದಾಗ ತಿಳಿದು ಬರುತ್ತದೆ. ಅಲ್ಲದೆ, ಬಂಡವಾಳ ಹೂಡಿಕೆಯಿಂದ ವಿದ್ಯುತ್ ವ್ಯವಸ್ಥೆಯ ಜಾಲವು ವಿಸ್ತರಣೆಗೊಳ್ಳುತ್ತಿದ್ದು ಹೊಸದಾದ ಎಲ್.ಟಿ. ಲೈನ್ಗಳು, ವಿದ್ಯುತ್ ಪರಿವರ್ತಕಗಳು ಸೇರ್ಪಡೆಗೊಂಡು ವಿದ್ಯುತ್ ವಿತರಣಾ ಸಾಮರ್ಥ್ಯವು ಹೆಚ್ಚುತ್ತದೆ. ಆದ್ದರಿಂದ ಕ್ರಮಬದ್ಧವಾದ ಬಂಡವಾಳ ಹೂಡಿಕೆಯು ಅಗತ್ಯವಾಗಿರುತ್ತದೆ.
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ಬಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
	11. ತಾತ್ಕಾಲಿಕ ಸಂಪರ್ಕ ಪಡೆದ ಗ್ರಾಹಕರ ಖಾತೆಯಲ್ಲಿರುವ ರೇವಣಿಯನ್ನು ಅವಧಿ ಮುಗಿದ ಮೇಲೂ ಮೆಸ್ಕಾಂ ಹಿಂದಿರುಗಿಸುತ್ತಿಲ್ಲ ಎಂಬುದು ಗ್ರಾಹಕರ ದೂರು.	ಇದಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ, ಆಕ್ಷೇಪಣೆದಾರರು ಗ್ರಾಹಕರ ಖಾತೆಯಲ್ಲಿರುವ ರೇವಣಿಯನ್ನು ಹಿಂದಿರುಗಿಸುತ್ತಿಲ್ಲವೆಂದು ಸಾಮಾನ್ಯೀಕರಿಸುವುದು ಸರಿಯಲ್ಲ. ಈ ರೀತಿಯ ನಿಗದಿತ ಪ್ರಕರಣಗಳು ಇದ್ದಲ್ಲಿ ಅದನ್ನು ಕಾರ್ಯ ಮತ್ತು ಪಾಲನಾ ವಿಭಾಗದ ಕಾರ್ಯನಿರ್ವಾಹಕ ಇಂಜಿನಿಯರ್ (ವಿ.) ರವರುಗಳ ಗಮನಕ್ಕೆ ತಂದಲ್ಲಿ ಆ ಬಗ್ಗೆ ಅಗತ್ಯ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುತ್ತದೆ.

	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ಬಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
	18. ಗ್ರಾಹಕ ಕ್ಷೇಮಾಭಿವೃದ್ಧಿಗಾಗಿ ತೆಗೆದಿರಿಸಿದ ನಿಧಿಯನ್ನು ಕಂಪೆನಿ ಜಾಹಿರಾತುಗಳಿಗೆ ಅಥವಾ ದೇಣಿಗೆಗಳಿಗೆ ಬಳಸಿಕೊಳ್ಳದೆ ಅದರ ಮೂಲ ಉದ್ದೇಶಕ್ಕೆ ಮಾತ್ರ ಬಳಕೆಯಾಗಬೇಕು.	ಗ್ರಾಹಕ ಕ್ಷೇಮಾಭಿವೃದ್ಧಿಗಾಗಿ ತೆಗೆದಿರಿಸಿದ ನಿಧಿಯನ್ನು ಗ್ರಾಹಕ ಜಾಗೃತಿ ಸಭೆಗಳು ಮತ್ತು ಸಂಬಂಧಿತ ಇನ್ನಿತರೆ ಉದ್ದೇಶಗಳಿಗೆ ಮಾತ್ರ ಬಳಕೆ ಮಾಡಲಾಗುತ್ತಿದೆ. ಆದಾಗ್ಯೂ ಬೇರೆ ರೀತಿಯ ಖರ್ಚುಗಳ ಸಂಬಂಧಿ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಯಲ್ಲಿ ದಾಖಲಾಗದಂತೆ ನಿಗಾ ವಹಿಸಲಾಗುವುದು.
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ಬಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
9	MA-39	
	1.0 The objector has referred the Annual Accounts of MESCOM for different years to state that the Company is in profit and there is no necessity of increase in tariff.	MESCOM has submitted its proposal for approval of ARR/ERC for FY22 in the framework of the relevant regulations of the Commission. In the proposal, MESCOM has furnished the details of all the parameters which have been considered by MESCOM to propose increase in tariff.
	Commission Views: The reply furnished by MESCOM is acceptable.	
	2.0 The objector has stated that as per the Electricity Act 2003, the ESCOMs have to carry forward their business on commercial principles and observed that catering power to IP set and BJ/KJ category below the average cost of supply is not in line with commercial principles. As these categories are being subsidized by GOK, the GOK has to bear the full cost arising out of their commitment. Cross subsidization factor is destroying the small scale industries. Further, the objection has also stated that since the consumers are paying electricity tax @ 9% the State Government has to bear the full cost of supply for providing supply to BJ/KJ and IP set installations without cross subsidization.	The tariff proposed in respect of BJ/KJ category is at the level of average cost of supply whereas the tariff in respect of IP category is after factoring the cross subsidy from other cross subsidizing categories. In the prevailing socio-economic conditions continuing the cross subsidization is inevitable. Hence, during 2007, the Electricity Act 2003 has been amended to delete the phrase "eliminates" and to say "that the tariff progressively reflects the cost of supply of electricity and also, reduces cross-subsidies in the manner specified by the Appropriate Commission."
	Commission Views: The reply furnished by MESCOM is acceptable.	
	3.0 The objector has stated that various industries are closing down due to adverse operating cost and requested Commission to reduce the power tariff. The objector viewed that reduction in power tariff will boost the power consumption.	The increase in power tariff is not the sole reason for closing down of the industries. As the objector himself has observed, the industries are reeling under severe hardship on account of global recession, demonetization, reduced sales and recessionary conditions prevailing in the domestic market.
	Commission Views: The reply furnished by MESCOM is acceptable.	



4.0 The objector has observed that the receivables by MESCOM from KPTCL & other ESCOMs amount to Rs.362.50 Cr. Apart from energy balancing other dues are not reconciled as observed by the Auditors in the Annual Accounts. Further, it has also stated that there is an amount of Rs.900.27 Cr pending to be released by GOK affecting the cash flows of MESCOM and in turn the consumer tariff.	The receivables among the ESCOMs are being reconciled periodically and efforts are being put forth to liquidate the same. Further, MESCOM is continuously pursuing with GOK for release of outstanding subsidy.
Commission Views: The reply furnished by MESCOM is acceptable.	
5.0 The objector has stated that in the Annual Accounts, the independent Auditors has mentioned that MESCOM has paid interest and damages by not paying PF money to the concerned authority in time, which is adding to the expenditure resulting it to be passed on to the consumers.	These issues are pending before various legal fora and the interest & damages have been paid as per the directions of the respective authorities so as to file MESCOM's appeal against the claims.
Commission Views: The Commission expects that all the personal claims are settled soon after the employees retire from service. It should ensure that matter are not unnecessarily entangled in legal battles to avoid inconvenience to the employees and to avoid legal expenses to the company.	
6.0 The objector has requested to create a separate construction power tariff category for supplying power to new industries at construction stage instead of the existing temporary tariff.	The Commission may take a view in the matter.
Commission Views: The Temporary LT & HT tariff are provided for catering to the needs of construction activities and all the consumers are availing power under temporary power category.	
7.0 The objector has stated that the interest rates that is to be considered for tariff fixation should be around 8.75% instead of the proposed 11%.	MESCOM is considering the prevailing MCLR plus admissible basis points for the new capital loan borrowings subjected to further review at the time of APR.
Commission Views: The Commission notes the reply provided by MESCOM	
8.0 The objector has stated that MESCOM has considered 19.7575% RoE whereas the industries are earning negative returns on the investments.	MESCOM has claimed the RoE as per the provisions of MYT Regulations.
Commission Views: The Commission notes the reply provided by MESCOM	
9.0 The objector has stated that the National Electricity Policy stipulates to assess technical loss and commercial loss separately. However, MESCOM has not indicated the same in the proposal.	The Commission is considering the distribution & transmission losses separately for tariff computations and accordingly MESCOM has submitted its proposal.
Commission Views: The reply furnished by MESCOM is acceptable.	

10.0	The objector has stated that there is need to cap the transmission & distribution loss to a reasonable 10%.	The Commission is approving trajectory for distribution & transmission losses based on which incentives and penalties are being regulated.
Commission Views: The reply furnished by MESCOM is acceptable.		
11.0	The objector has stated that similar to Kerala, there should be voltage-wise demand charges and energy charges.	The Hon'ble Commission may take a view.
Commission Views: The fixation of tariff varies from State to State historically and hence switching over from the existing system, requires proper study and analysis.		
12.0	The objector has stated that MESCOM has failed to submit the audited accounts for FY20 and half year accounts for FY21.	MESCOM has submitted the audited accounts for FY20 and half year accounts for FY21 to the Hon'ble Commission along with replies to the preliminary observations
Commission Views: The reply furnished by MESCOM is acceptable.		
13.0	The objector has stated that small scale industries are reeling under severe hardship on account of global recession, demonetization, reduced sales and recessionary conditions prevailing in the domestic market. In such a situation, increase in electricity tariff will hit the industries and kill competitiveness. So, the objector has requested the Hon'ble Commission to manage the financials of MESCOM by reducing distribution losses, improving efficiency / productivity instead of burdening the industries.	As the cost of supply is increasing due to increase in power purchase cost, transmission cost, O&M expenses, etc., and hence an upward revision of power tariff is inevitable to sustain the business of MESCOM
Commission Views: The Commission notes the reply provided by MESCOM. The Commission will have to consider the tariff applications in accordance with KERCTerms and Conditions for determination of Tariff for Distribution and retails sale of electricity) Regulations,2006 and its amendments from time to time.		
14.0	The objector has stated that in the recent amendment to KERCTerms and Conditions for determination of Tariff for Distribution and retails sale of electricity) Regulations the revised per KW charges for the load exceeding 35 KW is very much higher and requested to maintain the charges as per the existing slabs only.	The Commission has amended the regulations after due public consultations. The objector ought to have raised these objections in the said proceedings.
Commission Views: The Commission notes the reply provided by MESCOM		
15.0	The objector has requested to discontinue collection of fixed charges on monthly basis instead requested to collect one time charge.	The request of the objector is untenable. For catering to the power supply to its consumers generating Companies/ Transmission companies and ESCOMs have to construct & maintain the Generation stations and the transmission and distribution network and the whole system should be kept in ready state at all times so that the consumers get supply whenever required. For

		constructing and maintaining the electrical network ESCOMs are incurring certain expenditures which are fixed in nature. These fixed costs are to be recovered justifiably from the consumers who are all using the electrical network to draw power from the system and hence payment of Fixed charges becomes inevitable.												
	Commission Views: The reply furnished by MESCOM is acceptable.													
	16.0 The objector has the objected to the increase proposed in demand charges for HT category by Rs.100/- per kVA.	In order to maintain the electrical network to its optimum it is desirable that ESCOMs are to be guaranteed for recovery of fixed charges in full whereas with the increase in Fixed/Demand Charges MESCOM will be able to recover only about 30% of the fixed cost component and the remaining fixed charges are inbuilt in energy charges.												
	Commission Views: The Commission notes the reply provided by MESCOM. The Commission has to consider the tariff applications in accordance with KERC(Terms and Conditions for determination of Tariff for Distribution and retails sale of electricity) Regulations,2006 and its amendments from time to time.													
	17.0 The objector has requested to design the ToD tariff only to incentivize for usage during the period from 20.00 Hrs to 8.00 Hrs without having any disincentive factor for usage in peak hours.	Regarding the above, it is to be submitted that the rationale behind the ToD tariff is to incentivize the usage during off-peak hours and disincentivize at peak hours. However, the Commission may take a view in this regard.												
	Commission Views: The Commission has dealt with this issue separately in this Order.													
10	MA-40													
	(i) The objector has stated that the power purchase cost and average cost of supply is decreasing year on year and hence, the proposed tariff hike is not justifiable. The objector has indicated the power purchase cost and average cost of supply as below;	The average power cost depends on the mix of energy sources allocated by GOK to ESCOMs annually. The average cost of supply indicated by the objector for the years FY18 and FY19 appears to be inadvertently taken. Average cost of supply approved by the Commission for the said years is Rs.6.51 / unit and Rs.6.86/ unit respectively and as can be noticed; it is increasing year on year. As such, in order to commensurate the increase in cost of supply, increase in tariff charges is inevitable.												
	<table border="1"> <thead> <tr> <th>Year</th> <th>Power Purchase Cost</th> <th>Average cost of Supply</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>Rs.4.43/ unit</td> <td>Rs.8.09/ unit</td> </tr> <tr> <td>2019</td> <td>Rs.3.72/ unit</td> <td>Rs.7.60/ unit</td> </tr> <tr> <td>2020</td> <td>Rs.4.60/ unit</td> <td>Rs.7.13/ unit</td> </tr> </tbody> </table>	Year	Power Purchase Cost	Average cost of Supply	2018	Rs.4.43/ unit	Rs.8.09/ unit	2019	Rs.3.72/ unit	Rs.7.60/ unit	2020	Rs.4.60/ unit	Rs.7.13/ unit	
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	Commission Views: The reply furnished by MESCOM is acceptable.													

	(ii) The objector has stated that when the solar energy is available at lower costs, how MESCOM is projected the increase in power purchase cost.	The electricity demand cannot be met only with the solar energy, which is not a firm source of power. The other sources such as thermal power are also needed and the relevant costs in aggregate should also be considered. In the proposal submitted to the Commission, MESCOM has detailed the parameters considered for projecting power purchase cost.
	Commission Views: The reply furnished by MESCOM is acceptable.	
11	MB-01	
	ಕೈಗಾರಿಕೆಗಳು ನಷ್ಟದಲ್ಲಿವೆ, ಕೊರೋನಾದಿಂದಾಗಿ ಜನರು ಸಂಕಷ್ಟದಲ್ಲಿದ್ದಾರೆ, ಇಂತಹ ಸಮಯದಲ್ಲಿ ದರ ಏರಿಕೆಯು ಸಮಂಜಸವಾಗುವುದಿಲ್ಲ. ಒಂದು ವೇಳೆ ದರ ಏರಿಕೆಯು ಅನಿವಾರ್ಯವಿದ್ದಲ್ಲಿ ಮೆಸ್ಕಾಂ ಪ್ರಸ್ತಾವನೆಯಂತೆ ಪ್ರತಿ ಯೂನಿಟಿಗೆ ರೂ.1.67 ರ ಬದಲು ಅಗತ್ಯಕ್ಕೆ ತಕ್ಕಂತೆ ದರ ಏರಿಸಬಹುದು	ಆಕ್ಷೇಪಣೆದಾರರ ಆಕ್ಷೇಪಣೆಗಳಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ ವಿದ್ಯುತ್ ಖರೀದಿ ವೆಚ್ಚದಲ್ಲಿನ ಏರಿಕೆ, ಸಾಗಣೆ, ವಿದ್ಯುತ್ ಸರಬರಾಜು ಹಾಗೂ ವಿದ್ಯುತ್ ಜಾಲಗಳ ನಿರ್ವಹಣೆ ಸಂಬಂಧ ಅವಲಂಬಿತ ಅಂಶಗಳಲ್ಲಿನ ದರ ಏರಿಕೆಯಿಂದ ಮೆಸ್ಕಾಂಗೆ ಆಗುವ ಹೆಚ್ಚಳವನ್ನು ಸರಿದೂಗಿಸಲು ವಿದ್ಯುತ್ ದರ ಏರಿಕೆಯು ಅನಿವಾರ್ಯವಾಗಿರುತ್ತದೆ. ಆಯೋಗವು ಮೆಸ್ಕಾಂ ಸಲ್ಲಿಸಿರುವ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಪರಿಗಣಿಸುವಂತೆ ಈ ಮೂಲಕ ಕೋರಿದೆ.
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ಬಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
12	MB-02	
	The following are the statements of the objector. • At present tariff rates are higher compared to other southern States. • COVID-19 pandemic has rendered the business to standstill leading to financial problems and also simulated the other day to day life.	It may not proper to compare the electricity tariff charges with the other States, since the composition of consumer mix, cost components, government policies, etc., differ from State to State. In order to provide quality power supply to its consumers MESCOM has to purchase electricity from the various generators and maintain / upgrade the electrical network at the optimum level. MESCOM has estimated its revenue requirements for the financial year 2021-22 as per the provisions of KERC MYT regulations and submitted its proposal before the Commission seeking upward revision of power tariff. In view of the above, the Commission is requested to consider the proposals made by MESCOM for upward revision of tariff.
	Commission Views: The reply furnished by MESCOM is acceptable.	
13	MB-03	
	The following are the statements of the objector. ▪ The tariff has been recently raised. It is once again proposed to increase the tariff w.e.f. 01-04-2021. ▪ Majority of the residents in their apartment are retirees and business people. ▪ Covide-19 pandemic has affected the business income substantially.	In order to provide quality power supply to its consumers MESCOM has to purchase electricity from the various generators and maintain / upgrade the electrical network at the optimum level. In order to achieve the above objective increase in tariff increase is inevitable. MESCOM has estimated its revenue requirements for the financial year 2021-22 as per the provisions of KERC regulations and submitted its proposal before the Hon'ble Commission seeking upward revision of power tariff.

	<ul style="list-style-type: none"> ▪ Expenses are increasing constantly whereas income is not in commensuration with that. ▪ As such requested not to increase tariff charges. 	
	Commission Views: The Commission has to consider the Tariff applications as per Regulations, based on the audited accounts and if there is a gap in revenue, tariff revision becomes inevitable. The tariff is not fixed considering the other factors narrated by the objector.	
14	MB-05	
	<p>ಆಕ್ಷೇಪಣೆದಾರರ ಆಕ್ಷೇಪಣೆಗಳು ಇಂತಿವೆ. ನಷ್ಟ ಸರಿದೂಗಿಸಲು ವಿದ್ಯುತ್ ಬೆಲೆ ಏರಿಕೆಯೊಂದೇ ಪರಿಹಾರವಲ್ಲ. ನೌಕರರ ವೇತನಗಳನ್ನೂ ಒಳಗೊಂಡು ಎಲ್ಲಾ ಆಂತರಿಕ ವೆಚ್ಚಗಳನ್ನು ಕಡಿತಗೊಳಿಸುವುದರಿಂದ ನಷ್ಟವನ್ನು ಸರಿದೂಗಿಸಬಹುದು.</p>	<p>ಇದಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ತಿಳಿಸುವುದೇನೆಂದರೆ, ಮೆಸ್ಕಾಂ ಒಟ್ಟು ವೆಚ್ಚದಲ್ಲಿ ಶೇ.72 ರಷ್ಟು ವಿದ್ಯುತ್ ಖರೀದಿ ವೆಚ್ಚವಾಗಿದ್ದು ಉಳಿದ ವೆಚ್ಚಗಳಲ್ಲಿ ವಿದ್ಯುತ್ ಜಾಲ ನಿರ್ವಹಣೆ ವೆಚ್ಚ, ನೌಕರರ ಸಂಬಳ ಸಾರಿಗೆಗಳು ಒಳಗೊಂಡಿರುತ್ತದೆ. ಕೆ.ಇ.ಆರ್.ಸಿ. ನಿಯಮಗಳ ಪ್ರಕಾರ ಮುಂದಿನ ಆರ್ಥಿಕ ವರ್ಷಕ್ಕೆ ವಿದ್ಯುತ್ ಖರೀದಿ ವೆಚ್ಚವನ್ನೂ ಒಳಗೊಂಡಂತೆ ಮೆಸ್ಕಾಂ ನಿರ್ವಹಿಸಬೇಕಾದ ಎಲ್ಲಾ ವೆಚ್ಚಗಳನ್ನು ಅಂದಾಜಿಸಿ ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಸಲ್ಲಿಸಲಾಗಿರುತ್ತದೆ. ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಸದರಿ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಪರಿಶೀಲಿಸಿ ನ್ಯಾಯೋಚಿತವಾಗಿ ವಿದ್ಯುತ್ ಜಕಾತಿ ದರಗಳನ್ನು ಪರಿಷ್ಕರಿಸುತ್ತದೆ.</p>
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ಬಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ	
15	MB-06	
	<p>The following are the statements of the objector; MESCOM's proposal for increase in tariff by Rs.1/- per unit is not on the basis of "approved pooled power purchase cost of the State of Karnataka excluding Hydro". Hence, requested to consider the principles adopted in the earlier tariff orders for fixing tariff to MSEZ.</p>	<p>MESCOM has proposed for an average tariff of Rs.10.57 / unit to HT-2a consumers of MESCOM whereas the proposed tariff for MSEZ is Rs.7.736 / unit. Hence, the Commission is requested to consider the increase in tariff charges as proposed by MESCOM for MSEZ.</p>
	Commission Views: The determination of tariff based on relevant factors has been discussed in the tariff order separately.	

ESCOMs TOTAL POWER PURCHASE FOR FY22

Sl. No.	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs.	Amount in Crores	Cost/Unit in Rs.
A	KPCL THERMAL						
1	RAICHUR THERMAL POWER STATION RTPS 1-7 (7x210)	5720.00	942.00	1716.00	3.00	2658.00	4.65
2	RAICHUR THERMAL POWER STATION RTPS 8 (1x250)	700.00	248.30	196.00	2.80	444.30	6.35
3	BELLARY THERMAL POWER STATIONS BTPS-1 (1x500)	1500.00	323.78	442.50	2.95	766.28	5.11
4	BELLARY THERMAL POWER STATIONS BTPS-2 (1x500)	1700.00	463.39	499.80	2.94	963.19	5.67
5	BELLARY THERMAL POWER STATIONS BTPS-3 (1x700)	2500.00	990.43	747.50	2.99	1737.93	6.95
6	YTPS	3079.66	1718.37	893.10	2.90	2611.47	8.48
	TOTAL KPCL THERMAL	15199.66	4686.27	4494.90	2.9572	9181.17	6.04
B	CGS SOURCES						
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	2208.26	199.85	532.19	2.41	732.04	3.32
2	N.T.P.C-RSTP-III (1X500MW)	569.08	53.66	134.87	2.37	188.53	3.31
3	NTPC-Talcher (4X500MW)	2185.73	182.76	459.00	2.10	641.76	2.94
4	Simhadri Unit -1 &2 (2X500MW)	550.00	199.68	165.00	3.00	364.68	6.63
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	450.00	210.99	135.00	3.00	345.99	7.69
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	757.63	69.92	212.14	2.80	282.06	3.72
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	1048.30	97.47	293.52	2.80	390.99	3.73
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	675.01	71.62	172.13	2.55	243.75	3.61

Sl. No.	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs.	Amount in Crores	Cost/Unit in Rs.
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	639.70	188.33	170.16	2.66	358.49	5.60
10	NLC TAMILNADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	650.00	234.17	195.00	3.00	429.17	6.60
11	MAPS (2X220MW)	163.70		42.56	2.60	42.56	2.60
12	Kaiga Unit 1&2 (2X220MW)	812.14		277.75	3.42	277.75	3.42
13	Kaiga Unit 3 &4 (2X200MW)	835.83		285.85	3.42	285.85	3.42
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	1095.32		447.99	4.09	447.99	4.09
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	1091.03		446.23	4.09	446.23	4.09
16	DVC-Unit-1 &2 Meja TPS (2x500MW)	1145.38	203.84	314.98	2.75	518.82	4.53
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	1431.73	293.93	357.93	2.50	651.86	4.55
18	Kudgi	2344.53	1494.87	668.19	2.85	2163.06	9.23
19	New NLC thermal Project	301.61	73.94	70.28	2.33	144.22	4.78
	TOTAL CGS Energy @ KPTCI periphery	18954.98	3575.03	5380.78	2.84	8955.81	4.72
C	MAJOR IPPS						
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	4200.00	1091.48	1335.60	3.18	2427.08	5.78
D	KPCL HYDEL STATIONS						
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	4850.46		354.08	0.73	354.08	0.73
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	253.63		22.57	0.89	22.57	0.89
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	483.64		74.96	1.55	74.96	1.55

Sl. No.	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs.	Amount in Crores	Cost/Unit in Rs.
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	3203.48		374.81	1.17	374.81	1.17
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	1051.28		178.72	1.70	178.72	1.70
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	441.73		101.16	2.29	101.16	2.29
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	49.47		25.43	5.14	25.43	5.14
8	KADRA POWER HOUSE_KPH (3x50)	325.40		61.83	1.90	61.83	1.90
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	315.13		44.75	1.42	44.75	1.42
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	63.65		13.75	2.16	13.75	2.16
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	278.28		39.79	1.43	39.79	1.43
12	MUNIRABAD POWER HOUSE (2x9+1x10)	80.82		10.59	1.31	10.59	1.31
	TOTAL KPCL HYDRO	11396.97	0.00	1302.43	1.14	1302.43	1.14
D	OTHER HYDRO						
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	156.70		58.61	3.74	58.61	3.74
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	32.47		4.51	1.39	4.51	1.39
	TOTAL OTHER HYDRO	189.17		63.12		63.12	3.34
E	RE SOURCES						
1	WIND-IPPS	5889.24		2249.69	3.82	2249.69	3.82
2	KPCL-WIND (9x0.225+10x0.230)	6.74		3.26	4.83	3.26	4.83
3	MINI HYDEL-IPPS	1332.30		442.32	3.32	442.32	3.32

Sl. No.	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs.	Amount in Crores	Cost/Unit in Rs.
4	CO-GEN	502.82		197.61	3.93	197.61	3.93
5	CAPTIVE	42.10		9.05	2.15	9.05	2.15
6	Wind MOA	221.84		77.87	3.51	77.87	3.51
7	BIOMASS	157.68		84.04	5.33	84.04	5.33
8	Solar Existing	8696.27		4313.35	4.96	4313.35	4.96
9	SRTPV	103.94		53.94	5.19	53.94	5.19
10	SOLAR-KPCL (YELESANDRA,ITNAL,YAP ALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)	9.29		4.49	4.83	4.49	4.83
F	TOTAL RE	16962.22	0.00	7435.62		7435.62	4.38
1	Bundled power Coal(OLD)	430.79		211.09	4.90	211.09	4.90
2	Bundled power Coal(NEW)	2017.42		786.79	3.90	786.79	3.90
3	Bundled power Solar(OLD)	120.50		126.77	10.52	126.77	10.52
4	Bundled power Solar(NEW)	1380.80		662.78	4.80	662.78	4.80
	Total Bundled Power	3949.51	0.00	1787.43		1787.43	
G	TOTAL Excluding TRANSMISSION & LDC CHARGES						
1	KPTCL TRANSMISSION CHARGES		4276.075	0.00		4276.075	
2	PGCIL CHARGES		2040.00	0.00		2040.00	
3	SLDC		34.63	0.00		34.63	
4	POSOCO CHARGES		3.20	0.00		3.20	
H	TOTAL INCLUDING TRANSMISSION & LDC CHARGES	70852.52	15706.68	21799.88		37506.56	5.294

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MESCOM TOTAL POWER PURCHASE FOR FY22								
Sl. No.	NAME OF THE GENERATING STATION	Percentage	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs.	Amount in Crores	Cost/Unit in Rs.
A	KPCL THERMAL							
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	9.0000	514.80	84.78	154.44	3.00	239.22	4.65
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	8.1553	57.09	20.25	15.98	2.80	36.23	6.35
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	8.1553	122.33	26.41	36.09	2.95	62.49	5.11
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	8.1553	138.64	37.79	40.76	2.94	78.55	5.67
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	8.1553	203.88	80.77	60.96	2.99	141.73	6.95
6	YTPS	8.1553	251.16	140.14	72.84	2.90	212.97	8.48
	TOTAL KPCL THERMAL		1287.90	390.14	381.07		771.20	5.99
B	CGS SOURCES							
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	8.1553	180.09	16.30	43.40	2.41	59.70	3.32
2	N.T.P.C-RSTP-III (1X500MW)	8.1553	46.41	4.38	11.00	2.37	15.38	3.31
3	NTPC-Talcher (4X500MW)	8.1553	178.25	14.90	37.43	2.10	52.34	2.94
4	Simhadri Unit -1 & 2 (2X500MW)	8.1553	44.85	16.28	13.46	3.00	29.74	6.63
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I & 2 & 3 (3X500MW)	8.1553	36.70	17.21	11.01	3.00	28.22	7.69
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	8.1553	61.79	5.70	17.30	2.80	23.00	3.72
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	8.1553	85.49	7.95	23.94	2.80	31.89	3.73
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	8.1553	55.05	5.84	14.04	2.55	19.88	3.61
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	8.1553	52.17	15.36	13.88	2.66	29.24	5.60
10	NLC TAMILNADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	8.1553	53.01	19.10	15.90	3.00	35.00	6.60
11	MAPS (2X220MW)	8.1553	13.35	0.00	3.47	2.60	3.47	2.60

Sl. No.	NAME OF THE GENERATING STATION	Percentage	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs.	Amount in Crores	Cost/Unit in Rs.
12	Kaiga Unit 1&2 (2X220MW)	8.1553	66.23	0.00	22.65	3.42	22.65	3.42
13	Kaiga Unit 3 &4 (2X200MW)	8.1553	68.16	0.00	23.31	3.42	23.31	3.42
14	NPCIL-Kudankulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	8.1553	89.33	0.00	36.53	4.09	36.53	4.09
15	NPCIL-Kudankulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	8.1553	88.98	0.00	36.39	4.09	36.39	4.09
16	DVC-Unit-1 &2 Meja TPS (2x500MW)	8.1553	93.41	16.62	25.69	2.75	42.31	4.53
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	8.1553	116.76	23.97	29.19	2.50	53.16	4.55
18	Kudgi	8.1553	191.20	121.91	54.49	2.85	176.40	9.23
19	New NLC thermal Project	8.1553	24.60	6.03	5.73	2.33	11.76	4.78
	TOTAL CGS Energy @ KPTCL periphery		1545.84	291.55	438.82		730.37	3.55
C	MAJOR IPPS							
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	5.3530	224.83	58.43	71.50	3.18	129.92	5.78
D	KPCL HYDEL STATIONS							
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	19.5067	946.17	0.00	69.07	0.73	69.07	0.73
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	8.1553	20.68	0.00	1.84	0.89	1.84	0.89
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	8.1553	39.44	0.00	6.11	1.55	6.11	1.55
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	18.5000	592.64	0.00	69.34	1.17	69.34	1.17
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	8.1553	85.74	0.00	14.57	1.70	14.57	1.70
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	8.1553	36.02	0.00	8.25	2.29	8.25	2.29
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	8.1553	4.03	0.00	2.07	5.14	2.07	5.14

Sl. No.	NAME OF THE GENERATING STATION	Percentage	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs.	Amount in Crores	Cost/Unit in Rs.
8	KADRA POWER HOUSE_KPH (3x50)	8.1553	26.54	0.00	5.04	1.90	5.04	1.90
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	8.1553	25.70	0.00	3.65	1.42	3.65	1.42
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	8.1553	5.19	0.00	1.12	2.16	1.12	2.16
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	8.1553	22.69	0.00	3.25	1.43	3.25	1.43
12	MUNIRABAD POWER HOUSE (2x9+1x10)	8.1553	6.59	0.00	0.86	1.31	0.86	1.31
	TOTAL KPCL HYDRO		1811.44	0.00	185.18		185.18	1.02
E	OTHER HYDRO							
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	8.3980	13.16	0.00	4.92	3.74	4.92	3.74
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	8.4077	2.73	0.00	0.38	1.39	0.38	1.39
	TOTAL OTHER HYDRO		15.89		5.30		5.30	3.34
F	RE SOURCES							
1	WIND-IPPS		238.15	0.00	90.97	3.82	90.97	3.82
2	KPCL-WIND (9x0.225+10x0.230)			0.00	0.00	4.83	0.00	4.83
3	MINI HYDEL-IPPS		359.55	0.00	119.37	3.32	119.37	3.32
4	CO-GEN			0.00	0.00	3.93	0.00	3.93
5	CAPTIVE			0.00	0.00	2.15	0.00	2.15
6	Wind MOA			0.00	0.00	3.51	0.00	3.51
7	BIOMASS			0.00	0.00	5.33	0.00	5.33
8	Solar Existing		699.77	0.00	347.09	4.96	347.09	4.96
9	SRTPV			0.00	0.00	5.19	0.00	5.19
10	SOLAR-KPCL (YELESANDRA,ITNAL,YAPAL DINNI,SHIMSHA) (3x1+3x1+1x3x1x5)			0.00	0.00	4.83	0.00	4.83
G	TOTAL RE		1297.47	0.00	557.43	0.00	557.43	0.00
1	Bundled power Coal(OLD)	7.9111	34.08	0.00	16.70	4.90	16.70	4.90
2	Bundled power Coal(NEW)	7.8833	159.04	0.00	62.03	3.90	62.03	3.90
3	Bundled power Solar(OLD)	7.9087	9.53	0.00	10.03	10.52	10.03	10.52
4	Bundled power Solar(NEW)	7.8896	108.94	0.00	52.29	4.80	52.29	4.80
	Total Bundled Power		311.59		141.04		141.04	

Sl. No.	NAME OF THE GENERATING STATION	Percentage	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs.	Amount in Crores	Cost/Unit in Rs.
H	TOTAL Excluding TRANSMISSION & LDC CHARGES							
1	KPTCL TRANSMISSION CHARGES			318.19			318.187	
2	PGCIL CHARGES			217.30			217.30	
3	SLDC			2.585			2.585	
4	POSO CO CHARGES			0.26			0.26	
I	TOTAL INCLUDING TRANSMISSION & LDC CHARGES		6494.95	1278.449	1780.338		3058.79	

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PROPOSED AND APPROVED REVENUE AND REALISATION AND LEVEL OF CROSS SUBSIDY FOR FY22 OF MESCOM										
SI No	Category	Description	Proposed by MESCOM		Approved as per RST		Average Realisation in Rs. Per Kwh	With ref. to ACS	With ref. to voltage wise COS*	
			Sales-MU	Revenue	Sales-MU	Revenue		Level of Cross Subsidy in %	Level of Cross Subsidy in % (LT&HT)	Level of Cross Subsidy in % (EHT)
				Rs. crores		Rs. crores				
1	LT-1[fully subsidised by GoK]*	Bhagya Jyothi/Kutir Jyothi < 40 Units	34.65	31.36	32.12	25.50	7.94	0.00	-1.75	
2	LT-1	Bhagya Jyothi/Kutir Jyothi > 40 Units	14.91	10.18	24.79	11.90	4.80	-39.52	-40.58	
3	LT-2(a)(i)	Dom. / AEH - Applicable to City Municipal Corporations areas and all area under Urban Local Bodies.	845.81	763.03	855.15	728.34	8.52	7.28	5.41	
4	LT-2(a)(ii)	Dom. / AEH - Applicable to areas under Village Panchayats	746.50	609.45	755.31	594.58	7.87	-0.84	-2.57	
5	LT-2(b)(i)	Pvt. Educational Institutions Applicable to all areas of Local Bodies including City Corporations	9.18	10.11	9.22	9.11	9.88	24.37	22.20	
6	LT-2(b)(ii)	Pvt. Educational Institutions Applicable to areas under Village Panchayats	6.42	6.87	6.20	5.41	8.73	9.93	8.01	
7	LT-3(i)	Commercial - Applicable in areas under all ULBs including City Corporations.	275.22	325.70	277.38	307.78	11.10	39.76	37.32	
8	LT-3(ii)	Commercial - Applicable to areas under Village Panchayats	157.67	175.93	142.90	147.19	10.30	29.75	27.48	
9	LT-4(a)*	IP<=40HP	1917.64	1416.00	1892.09	1118.23	5.91	-25.56	-26.86	
10	LT-4(b)	IP>10HP	0.88	1.13	0.88	0.84	9.52	19.98	17.77	
11	LT-4 (c) (i)	Pvt. Nurseries, Coffee & Tea Plantations of sanctioned load of 10 HP & below	5.32	5.49	9.74	9.02	9.26	16.69	14.65	
12	LT-4 (c) (ii)	Pvt. Nurseries, Coffee & Tea Plantations of sanctioned load of above 10 HP	3.96	5.31						
13	LT-5 (a)	LT Industrial	46.85	48.42	46.97	46.13	9.82	23.68	21.52	
14	LT-5 (b)	LT Industrial	91.31	109.19	91.19	97.21	10.66	34.28	31.94	
15	LT-6	Water supply	140.20	97.83	147.28	84.74	5.75	-27.53	-28.79	
16	LT-6	Public lighting	66.47	58.52	77.29	66.52	8.61	8.41	6.52	
17	LT-7(a)	Temporary supply	19.29	56.10	19.16	21.27	11.10	39.83	37.39	
18	LT-7 (b)	Permanent Supply to Adversiting & Holding	0.72	1.06	0.85	1.12	13.18	65.97	63.08	
		LT - TOTAL	4383.00	3731.68	4388.52	3274.89	7.46	-4.77	-7.64	
1	HT-1	Water supply & sewerage	102.45	76.45	102.89	64.27	6.25	-21.32	-16.83	-13.61
2	HT-2(a)	Industrial -	656.61	693.79	689.55	623.54	9.04	13.90	20.41	25.07
3	HT-2(b)	Commercial	216.72	262.44	221.01	237.41	10.74	35.31	43.03	48.57
4	HT-2 (c)(i)	Govt./ Aided Hospitals & Educational Institutions	40.76	40.18	46.60	39.39	8.45	6.45	12.53	16.89
5	HT-2 (c)(ii)	Hospitals and Educational Institutions other than covered under HT-2(c) (i)	99.11	105.19	111.11	103.66	9.33	17.52	24.23	29.04
6	HT-3(a)(i)	Lift Irrigation - Applicable to lift irrigation schemes under Govt Dept, / Govt. owned Corporations	69.49	57.90	88.24	27.35	3.10	-60.96	-58.73	-57.13
7	HT-3(a)(ii)	Lift Irrigation - Applicable to Private lift irrigation schemes Lift Irrigation societies on urban/express feeders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	HT-3(a)(iii)	LI schemes other than those covered under HT 3(a)(ii)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	HT - 3b	Irrigation & Agriculture Farms, Govt. Horticultural Farms, Pvt.Horticulture Nurseries, Coffee, Tea, Cocanut & Arecanut Plantations	0.19	0.20	0.66	0.34	5.15	-35.11	-31.40	-28.75
10	HT-4	Residential Apartments -Colonies	24.03	21.53	22.55	17.44	7.73	-2.60	2.97	6.96
11	HT-5	Temporary supply	3.40	5.54	3.83	5.10	13.33	67.87	77.46	84.33
		HT - TOTAL	1212.76	1263.22	1286.44	1118.49	8.69	9.52	15.77	20.26
		TOTAL	5595.76	4994.90	5674.96	4393.38	7.74			
		Misc. Revenue		79.02		114.28				
		KPC/ Wheeled	2.74		2.74					
		Proposed Supply to MSEZ @ IF Points	60.36	45.70	43.75					
		Grand Total (*Without MSEZ Sales)	5658.86	5119.61*	5677.69	4507.65	7.94			

* These categories are subsidised by GoK. In case subsidy is not released by the Gok in advance, MESCOM shall raise demand & collect CDT of Rs.7.94 per unit by BJ/KJ & Rs.5.91 per unit from IP set Consumers.

* Voltage wise cost of supply per unit: LT Rs: 8.08, HT Rs.7.51 & EHT- Rs.7.23

* Sales excludes power supply to MSEZ.

ANNEXURE-5

ELECTRICITY TARIFF - 2022

K.E.R.C. ORDER DATED: 9th June, 2021

**Effective for the Electricity consumed from the first meter
reading date falling on or after 01.04.2021**

**Mangalore
Electricity Supply Company Ltd.,**



ELECTRICITY TARIFF-2022**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 the Electricity Act, 2003, prevails 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. 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 supply of power within the area of operation of the licensee.
5. The tariffs are subject to levy of Tax and Surcharges thereon as may be decided 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. **LT power supply will be given where the requisitioned load is less than 150 kw / 201 HP.** 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.
11. Non-receipt of the bill by the Consumer is not a valid reason for non-payment. The Consumer shall notify the licensees office which issues 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 up to Rs. 10,000	5% of the amount subject to a minimum of Rs.100
2	Cheque amount of Rs. 10,001 and up to 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.3000



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 Number 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 BhagyaJyothi and KutirJyothi Consumers, shall provide current limiter/Circuit Breakers of capacity prescribed by the Licensee depending upon the sanctioned load.
16. All payments made by the Consumer will be adjusted in the following order of priority: -
 - (a) Interest on arrears of Electricity Tax
 - (b) Arrears of Electricity Tax
 - (c) Arrears of Interest on Electricity charges
 - (d) Arrears of Electricity charges
 - (e) Current month's dues
17. For the purpose of billing,
 - (i) the higher of the rated load or sanctioned load in respect of LT installations which are not provided with Electronic Tri-Vector meter.
 - (ii) sanctioned load or MD recorded, whichever is higher, in respect of installations provided with static meters or Electronic Tri-Vector meter will be considered.

Penalty and other clauses shall apply if the 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.
21. **Reconnection charges:** The following reconnection charges shall be levied in case 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 upto 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 or bankers cheque up to and inclusive of Rs. 10,000 and payment above Rs. 10,000 shall be by D.D or Bankers Cheque.

Note: The Consumers can avail the facility of payment of monthly power supply bill through Electronic clearing system (ECS)/ Debit / Credit cards / **RTGS/ NEFT/ Net Banking through ESCOMs / Bank/ Karnataka One website, on-line E-Payment / Digital mode of payments in line with the guidelines issued by the RBI 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 and approval there on.



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.
- ii) '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'.
- iii) **The consumption during any month of the declared off-season shall not be more than 25% of the average consumption of the previous working season.**
- iv) 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.
- v) 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)

The Commission as decides in the earlier tariff order, decide to continue compulsory Time of Day Tariff for HT2 (a), HT2 (b) and HT2(c) consumers with a contract demand of 500 KVA and above. Further, the optional ToD would continue as existing earlier for HT2(a), HT2(b) and HT2(c) consumers with contract demand of less than 500 KVA. Also the ToD for HT1 consumers on optional basis would continue as existing earlier. **The ToD**

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tariff for the HT installations using the power for charging the Electric Motor Vehicle in the depots of BMTC / KSRTC / NEKRTC / NWKRTC on optional basis is also applicable. Details of ToD tariff are indicated under the respective tariff category. The ToD tariff is not applicable to Railway Traction installations.

27 **SICK INDUSTRIES:**

The Government of Karnataka has extended certain reliefs for revival/rehabilitation of sick industries under the New Industrial Policy 2001-06 vide G.O. No. CI 167 SPI 2001, dated 30.06.2001. Further, the Government of Karnataka has issued G.O No.CI2 BIF 2010, dated 21.10.2010. The Commission, in its Tariff Order 2002, has accorded approval for implementation of reliefs to the sick industries as per the Government policy and the same was continued in the subsequent Tariff Orders. In view of issue of the G.O No.CI2 BIF 2010, dated 21.10.2010, the Commission has accorded approval to ESCOMs for implementation of the reliefs extended to sick industrial units for their revival / rehabilitation on the basis of the orders issued by the Commissioner for Industrial Development and Director of Industries & Commerce, Government of Karnataka / National Company Law Tribunal (NCLT).

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 Electronic Clearing System (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 the 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 Clause 26.01 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

31. **Metering for 400 Voltas, 3 phase supply with requisition load above 50 kw to 150 kw:**

The accuracy class of metering for arranging power supply to consumers at Low Tension for loads between 50 KW to 150 KW shall be the same as prescribed for HT consumers.

The metering arrangement for consumers availing load between 50 KW to 150 KW at low tension shall be strictly arranged using a metering cubicle similar to that of a HT metering arrangement.



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ELECTRICITY TARIFF-2022

PART-I

LOW TENSION SUPPLY

**(400 Volts Three Phase and
230Volts Single Phase Supply)**

MESCOM

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CONDITIONS APPLICABLE TO BILLING OF LT INSTALLATIONS

1. In the 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 equipment, in a premises having permanent power supply, such equipment 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, (i.e, 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 Litre. 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 persons, 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 the 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:

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- (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.70 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. 70/-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, Arecanut cutting 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 alternative 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 the 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, whichever 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 respective premises of Commercial / Industrial Units.

23. LED 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 Panchayath, Town Panchayath or Municipality 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 which intend to utilize seasonal industry benefit, shall comply with the conditionalities specified under Para number 24 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 25% of the applicable fixed charges.**

TARIFF SCHEDULE LT-1

LT-1: Applicable to installations serviced under Bhagya Jyothi and Kutira Jyothi (BJ/KJ) schemes.

RATE SCHEDULE

Energy charges (including recovery towards service main charges)	Nil* Fully subsidized by the GOK
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Commission Determined Tariff for the above category i.e., LT-1 is **Rs.7.94** per unit.

***Since GOK is meeting the full cost of supply to BJ / KJ, the Tariff payable by these Consumers is shown as Nil. However, if the GOK does not release the subsidy in advance, a Tariff of Rs.7.94 per unit subject to monthly minimum of Rs.60 per Installation per month shall be demanded and collected from these Consumers.**

Note: If the consumption exceeds **40 units per month** or any BJ/KJ installation is found to have more than one outlet, it shall be billed as per Tariff Schedule LT 2(a).

TARIFF SCHEDULE LT-2(a)

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

RATE SCHEDULE

LT 2 (a) (i): Applicable to areas coming under City Municipal Corporations and all other urban local bodies

Fixed charges per month	For the first KW	Rs.85 per KW
	For every additional KW up to and inclusive of 50 KW	Rs.95 per KW
	For every additional KW above 50 KW	Rs.150 per KW
Energy charges	For 0 - 50 units (Lifeline consumption)	405 paise/unit
	51 to 100 units	555 paise/unit
	101 to 200 units	710 paise/unit
	Above 200 units	815 paise/unit

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

Fixed charges per month	For the first KW	Rs.70 per KW
	For every additional KW up to and inclusive of 50 KW	Rs.85 per KW
	For every additional KW above 50 KW	Rs.140 per KW

Energy charges	For 0 - 50 units (Lifeline consumption)	395 paise/unit
	51 to 100 units	525 paise/unit
	101 to 200 units	680 paise/unit
	Above 200 units	765 paise/unit

Note: Temples, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious / Charitable Institution availing the power supply for religious activities under LT supply, shall be categorized and billed under this Tariff schedule. If these institutions use the power for Kalyana Mantapas / Marriage hall, Restaurant or for any other commercial activity, not related to religious activities, such energy consumption shall be billed under LT-3 tariff schedule.

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 City Municipal Corporations and all other urban local bodies

Fixed charges	Rs.100 Per KW subject to a minimum of Rs.125 per month up to and inclusive of 50 KW	
	Rs.155 per KW For every additional KW above 50 KW	
Energy charges	0 to 200 units	725 paise/unit
	Above 200 units	850 paise/unit

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

Fixed charges	Rs.90 per KW subject to a minimum of Rs.110 per month up to and inclusive of 50 KW	
	Rs.145 per KW for every additional KW above 50 KW	
Energy charges	0 to 200 units	670 paise/unit
	Above 200 units	795 paise/unit

Clearing

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

- 1 A rebate of 25 paise. 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 litre per household.



TARIFF SCHEDULE LT-3

Applicable to **Commercial Lighting, Heating and Motive Power** installations of Clinics, Diagnostic Centres, X Ray units, Shops, Stores, Hotels/Restaurants/Boarding and Lodging Homes, Bars, Private guest Houses, Mess, Clubs, Kalyan Mantapas / 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, Photo 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, 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, BPO/KPO, telecom I.T. based medical transcription centers, Private Hostels not covered under LT -2 (a), Home Stay/Paying guests accommodation provided in an independent / exclusive premises, concrete mixtures (Ready mix Concrete) units.

RATE SCHEDULE

LT-3 (i): Applicable to City Municipal Corporations and all other urban local bodies.

Fixed charges	Rs.105 per KW up to and inclusive of 50 KW	
	Rs.205 per KW for every additional KW above 50 KW	
Energy charges	For 0 - 50 units	835 paise/unit
	Above 50 units	935 paise/unit

Demand based tariff (optional) where sanctioned load is above 5 KW but below 150 KW	
Fixed charges	Rs.120 per KW up to and inclusive of 50 KW
	Rs.220 per KW for every additional KW above 50 KW
Energy charges	For first 50 units: 835 paise/unit For the balance units: 935 paise/unit



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

Fixed charges	Rs.95 per KW up to and inclusive of 50 KW	
	Rs.195 per KW for every additional KW above 50 KW	
Energy charges	For 0 - 50 units	785 paise/unit
	Above 50 units	885 paise/unit

Demand based tariff (optional) where sanctioned load is above 5 KW but below 150 KW		
Fixed charges	Rs.110 per KW up to and inclusive of 50 KW	
	Rs.210 per KW for every additional KW above 50 KW	
Energy charges	For the first 50 units: 785 paise/unit For the balance units : 885 paise/unit	

- 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 licensee 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 persons.
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 upto and inclusive of 10 HP
RATE SCHEDULE**

Fixed charges	Free
Energy charges	

Commission Determined Tariff (CDT) for LT4 (a) category is **591 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 **591 paise per unit** shall be demanded and collected from these Consumers.

Note: 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.90 per HP per month.
Energy charges	385 paise per unit

TARIFF SCHEDULE LT-4 (c):**Applicable to Private Horticultural Nurseries, Coffee, Tea and Rubber plantations****RATE SCHEDULE**

Fixed charges	Rs.80 per HP per month.
Energy charges	385 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, coffee pulping, Arecanut cutting 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 alternative 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, Industrial Workshops, Poultry Farms, Sugarcane Crushers, Coffee Pulping, Cardamom drying, Mushroom raising installations, Flour, Huller & Rice Mills, Wet Grinders, Milk dairies, Ironing, Dry Cleaners and Laundries having washing, Drying, Ironing etc., Exclusive Tailoring shop, 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(As defined in GOI notification dated 17.04.2015)/ Animation / Gaming / Computer Graphics as certified by the IT & BT Department of GOK/GOI, Silk rearing, Silk filature units, Aqua Culture, Prawn Culture, Brick manufacturing units, Silk / Cotton colour dying, Stadiums maintained by Govt. and local bodies, Fire service stations, Gold / Silver ornament manufacturing units, Effluent treatment plants and Drainage water treatment plants, independently serviced outside the premises of industries/ building for which the power supply is availed, LPG bottling plants and petroleum pipeline projects, Piggery farms, Analytical Lab. for analysis of ore metals, Satellite communication centre, Mineral water processing plants / drinking water bottling plants , soda fountain units and Solid Waste Processing Plant.

Tariff for LT 5:

Tariff for LT 5 (a):

Applicable to areas under City Municipal Corporations

i) Fixed charges

Details	Approved by the Commission
Fixed Charges per Month	i) Rs.75 per HP for 5 HP & below ii) Rs.85 per HP for above 5 HP & below 40 HP iii)Rs.105 per HP for 40 HP & above but below 67 HP iv)Rs.170 per HP for 67 HP & above but below 100 HP v) Rs.200 per HP for 100 HP and above

Demand Based Tariff (optional)

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.100 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.130 per KW of billing demand
	67 HP and above but below 100 HP	Rs.220 per KW of billing demand
	100 HP and above	Rs.230 per KW of billing demand

ii) Energy Charges

Details	Approved by the Commission
For the first 500 units	580 paise/unit
For the next 500 units	680 paise/ unit
For the balance units	710 paise/unit

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

Fixed Charges per Month	i) Rs.65 per HP for 5 HP & below. ii) Rs.80 per HP for above 5 HP & below 40 HP. iii) Rs.100 per HP for 40 HP & above but below 67 HP. iv)Rs.155 per HP for 67 HP & above but below 100 HP v) Rs.185 per HP for 100 HP and above
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ii. Demand based Tariff (optional)

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.95 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.125 per KW of billing demand
	67 HP and above but below 100 HP	Rs.210 per KW of billing demand
	100 HP and above	Rs.220 per KW of billing demand



iii. Energy Charges

0 to 500 units	570 paise/unit
501 to 1000 units	665 paise/unit
Above 1000 units	695 paise/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
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0
	From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0
	From December to June (-) 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 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. Seasonal Industries: The industries which intend to utilize seasonal industry benefit shall comply with the conditionalities under para no. 26 of general terms and conditions applicable to LT.

3. Electricity can also be used for lighting, heating, and air-conditioning in the premises.

4. In the case of welding transformers, the connected load shall be taken as, (a) Half the maximum capacity in KVA as per the name plate specified under-IS1851, or (b) Half the maximum capacity in KVA as recorded during rating by the Licensee, whichever is higher.

TARIFF SCHEDULE LT-6

Applicable to water supply and sewerage pumping installations and also **applicable to water purifying plants maintained by Government and Urban Local Bodies/ Grama Panchayats for supplying pure drinking water to residential areas**, Public Street lights/Park lights of village Panchayat, Town Panchayat, Town Municipalities, City Municipalities / Corporations / State and Central Govt. / APMC, Traffic signals, Surveillance Cameras at traffic locations belonging to Government Department, 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 High Mast street lights, Lifts/ Escalators installed in pedestrian road crossing maintained by Government and Urban local bodies/ Grama Panchayats independently serviced **and Electric Vehicles Charging Stations.**

RATE SCHEDULE

Water Supply- LT-6 (a)	
Fixed charges	Rs.95/HP/month up to 67 HP
	Rs.195/HP/Month for every additional kw above 67 HP
Energy charges	495 paise/unit
Public lighting- LT-6 (b)	
Fixed charges	Rs.110/KW/month
Energy charges	660 paise/unit
Energy Charges for LED/ Induction Lighting	555 paise/unit

**Electric Vehicle Charging Stations LT-6(c) / Battery swapping Stations
(Both LT & HT)**

Details	Approved Tariff
Fixed /Demand charges per KW /KVA	For LT - Rs.70 /KW/month up to 50 KW For LT- Rs.170 / KW / Month for every additional kw above 50 KW For HT – Rs.200/KVA/month
Energy charges (for both LT & HT)	500 paise/unit

The approved ToD tariff is applicable for the power supply availed under HT supply for charging the Electric Motor Vehicle in the Depots of BMTC / Depots of KSTRC/NEKRTC / NWKRTC.

ToD Tariff

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

TARIFF SCHEDULE LT-7

Temporary Supply and Permanent Supply to Advertising Hoardings

TARIFF SCHEDULE LT-7(a)

Applicable to Temporary Power Supply for all purposes.

LT 7(a)	Details	Approved Tariff
Temporary Power Supply for all purposes.	Less than 67 HP:	Energy charges at 1110 paise / unit subject to a weekly minimum of Rs.250 per KW of the sanctioned load.

TARIFF SCHEDULE LT-7(b)

Applicable to Hoardings & Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the interest of public such as Police Canopy Direction boards, and other sign boards sponsored by Private Advertising Agencies / firms on permanent connection basis.

LT 7(b)	Details	Approved Tariff
Power supply on permanent connection basis	Less than 67 HP:	Fixed Charges at Rs.125 per KW/month & Energy charges at 1110 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 license for duration less than one year.
3. All the conditions regarding temporary power supply as stipulated in Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be complied with before service.



ELECTRICITY TARIFF - 2022

PART-II

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.

Callge

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 85% of the Contract Demand (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 85% 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 126(6) of the Electricity Act, 2003. For over-drawal during the billing period, the penalty shall be two times the normal rate.
- E) During the periods of disconnection, the billing demand shall be 85% of CD, or 85% 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 a 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 upto 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) above, 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 upto 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) 33/66 KV 2 Paise/unit of energy consumed
- B) 110 KV 3 Paise/unit of energy consumed
- C) 220 KV 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 drawl under special incentive scheme, if any.

The above rebate is not applicable for Railway Traction.

4. In respect of Residential Quarters/ Colonies availing Bulk power supply by tapping the main HT supply, the energy consumed by such Colony loads, metered at single point, shall be billed under HT-4 tariff schedule. No reduction in demand recorded in the main HT meter will be allowed.
5. Energy supplied may be utilized for all purposes associated with the working of the installations, such as, Office, Stores, Canteens, Yard Lighting, Water Supply and Advertisements within the premises.
6. Energy can also be used for construction, modification and expansion purposes within the premises.
7. Power supply under HT-4 tariff schedule may be used for Commercial and other purposes inside the colony, for installations such as Canteen, Club, Shop, Auditorium etc., provided, this load is less than 10% of the CD.
8. In respect of Residential Apartments availing HT Power supply under HT-4 tariff schedule, the supply availed for Commercial and other purposes like Shops, Hotels, etc., will be billed under appropriate tariff schedule, (Only Energy charges) duly deducting such consumption in the main HT supply bill. No reduction in the recorded demand of the main HT meter is allowed. Common areas shall be billed at Tariff applicable to that of the predominant Consumer category.
9. **Seasonal Industries**
 - a. The industries, which intend to utilize seasonal industry benefit, shall conform to the conditionalities under Para no. 24 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 85% 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 whichever is higher plus the energy charges.**
- e. **Monthly charges during off season period to the installation of Ice Manufacturing units / Cold Storage Plants used for fisheries purpose situated in the coastal belt of Karnataka State within the radius of 5 Kms. from Sea only, shall be the demand charges on the maximum demand recorded during the month or 75% of the contract demand whichever is higher at 50% of the normal demand charges plus energy charge.**
10. The reduction of Re.1 per unit in the TOD tariff for the energy consumed between 22.00 Hrs to 06.00 Hrs next day is not applicable to HT consumers who opt for the Special Incentive Scheme and the new 'Discounted Energy Rate Scheme'.
11. **The increase in energy charges under ToD tariff at (+) Re.1 per unit for the energy consumed during evening peak period i.e. between 18.00 Hrs to 22.00 Hrs during December to June period is applicable to all the HT consumers including the consumers opted under special incentive scheme.**
12. **The ToD tariff approved by the Commission in this Tariff Order is not applicable to the extent of the energy consumed and billed under the new 'Discounted Energy Rate Scheme'. However, ToD tariff shall be applicable up to the base monthly average consumption, as computed by the licensee.**



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.

RATE SCHEDULE

Demand charges	Rs.230 / KVA of billing demand/month
Energy charges	555 paise/unit

TOD Tariff at the option of the Consumer

Time of Day	Increase + / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0
	From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0
	From December to June (-) 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, Industrial Workshops, 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, Information Technology (IT) enabled Services / Start-ups **(As defined in GOI notification dated 17.04.2015)**/ Animation / Gaming / Computer Graphics as certified by the IT & BT Department of GOK/GOI, Drug Mfg. Units, Garment Mfg. Units, Tyre retreading units, Nuclear Power Projects, Stadiums maintained by Government and local bodies, Railway Traction, Effluent treatment plants and Drainage water treatment plants owned other than by the local bodies **independently serviced outside the premises of industries/ Buildings for which the HT power supply is availed**, LPG bottling plants, petroleum pipeline projects, Piggery farms, Analytical Lab for analysis of ore metals, Saw Mills, Toy/wood industries, Satellite communication centres, Mineral water processing plants / drinking water bottling plants and **Solid Waste Processing Plant.**

RATE SCHEDULE

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

Demand charges	Rs.240 / kVA of billing demand/month
Energy charges	
For the first one lakh units	730 paise per unit
For the balance units	755 paise per unit

Tariff applicable to Railway Traction

Demand charges	Rs.250 / kVA of billing demand/month
Energy charges	655 paise per unit for all the units

Note: Special Incentive Scheme & ToD Tariff is not applicable to Railway traction installations.

Tariff applicable to Effluent Plants independently serviced outside the premises of any installations under HT2 (a)

Demand charges	Rs.250 / kVA of billing demand/month
Energy charges	695 paise per unit for all the units

Note: The ToD tariff is applicable to these installations if the Special incentive scheme is not opted.

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, Power Projects and Konkan Railway Project, Petrol / Diesel and Oil storage plants, I.T. based medical transcription centers, telecom, call centers, BPO/KPO, Diagnostic centres, concrete mixture (Ready Mix Concrete) units and Private Guest Houses / Travellers Bungalows.

All the activities listed under LT3 tariff schedule and not included under HT2(b) tariff schedule shall be classified and billed under HT-2(b), if they avail power under HT supply.

RATE SCHEDULE**HT-2 (b): Applicable to all areas of MESCOM**

Demand charges	Rs.260 / kVA of billing demand/month
Energy charges	
For the first two lakh units	900 paise per unit
For the balance units	910 paise per unit

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

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

Demand charges	Rs.240 / kVA of billing demand/month
Energy charges	
For the first one lakh units	715 paise per unit
For the balance units	755 paise per unit



RATE SCHEDULE

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

Demand charges	Rs.240 / kVA of billing demand/month
Energy charges	
For the first one lakh units	815 paise per unit
For the balance units	855 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.
3. The tariff HT-2(b) is not applicable for construction of new industries. Such power supply shall be availed only under the temporary category HT-5.
4. In respect of consumers availing HT power supply, the energy used for Effluent Treatment Plant and Drainage water treatment plants situated within the premises from the main meter or by fixing the separate sub-meter, the electricity consumed by such Effluent Treatment/ Drainage Treatment Plant shall be billed at the respective applicable tariff schedule for which the power supply is availed for the installation.

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

Time of Day	Increase + / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0
	From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0
	From December to June (-) 100 paise per unit

Note: The ToD tariff is not applicable to Railway Traction installations.



TARIFF SCHEDULE HT-3 (a)

Applicable to Lift irrigation Schemes/ Lift irrigation societies,

RATE SCHEDULE

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

Energy charges/ Minimum Charges	310 paise per unit subject to an annual minimum of Rs.1720 per HP/Annum
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HT-3(a)(ii): Applicable to Private LI schemes and Lift Irrigation Societies: Connected to Urban/Express feeders

Fixed Charges	Rs.95 /HP/ per month of sanctioned load
Energy charges	310 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.75 /HP/ per month of sanctioned load
Energy charges	310 paise/unit

TARIFF SCHEDULE HT-3 (b)

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

RATE SCHEDULE

Energy charges / Minimum Charges	510 paise per unit subject to an annual minimum of Rs.1780 per HP of sanctioned load.
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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, Temple, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious /Charitable institutions using power for religious activities.

RATE SCHEDULE**Applicable to all areas**

Demand charges	Rs.155 per KVA of billing demand/ month
Energy charges	700 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.
- (4) Temples, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious / Charitable Institution availing the power supply for religious activities under HT supply, shall be categorized and billed under HT-4 Tariff schedule. If these institutions use the power for Kalyana Mantapas /

Marriage hall, Restaurant or for any other commercial activity, not related to religious activities, such energy consumption shall be billed under HT-2(b) tariff schedule (only energy charges) duly deducting such consumption recorded in the main HT meter. However, no reduction in the demand charges towards the recorded demand in the main HT meter shall be allowed. In all such cases, it shall be ensured that sub-meters are provided to record such commercial consumption separately.

TARIFF SCHEDULE HT-5

Tariff applicable to sanctioned load of 67 HP and above for 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 Konkan Railway 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:	Approved by the Commission
Fixed charges / Demand Charges	Rs.300/HP/month for the entire sanction load / contract demand
Energy Charges	1110 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 license for a duration of less than one year.



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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.

